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ECONOMIC AND POLITICAL FACTORS AFFECTING TRADE BETWEEN EASTERN AND WESTERN EUROPE

ALTHOUGH Eastern and Western Europe[1] have been complementary trading areas for many generations, current international tensions cast a penumbra of doubt and uncertainty over the future of this commerce. It is not our present purpose either to explore the historical origins of East-West trade or to predict its future course of development. The more modest program of this article is to discuss: (1) the relation of East-West trade to the post-war economic recovery of Western Europe; (2) the current volume and composition of this commerce; (3) the institutional arrangements under which it has taken place; and (4) some of the basic factors which are

[1] Throughout this article, unless otherwise specified, Eastern Europe for statistical purposes includes: Albania, Bulgaria, Czechoslovakia, Finland, the Eastern Zone of Germany, Hungary, Poland, Rumania, the U.S.S.R., and Yugoslavia. Finland and Yugoslavia, although not Soviet satellites, have been included in the Eastern category because: (1) their relations with the Soviet bloc have importantly influenced their foreign trade during much of the period covered by this study (this is still true for Finland, and Yugoslavia's political and commercial relations with the West did not improve materially until the latter part of 1949); (2) they have not been participants in the European Recovery Program (ERP); and (3) they are included in some important sources of composite statistics on Eastern Europe.

Western Europe is here taken to include the countries participating in the Organization for European Economic Co-operation (the OEEC): Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, the Free Territory of Trieste, Turkey, the United Kingdom, and the Republic of Germany. These Western European countries are sometimes referred to in the text as "participating countries", that is, countries participating in the OEEC and the ERP.

Because of the unavailability of data, trade between Western and Eastern Germany has had to be excluded from most statistical summaries and percentages based on them. When information on this trade has been presented its inclusion has been specifically indicated.

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influencing its development.[2] While international political difficulties cast an ever-darkening cloud over the economic relations between Eastern and Western Europe, these political considerations do not by themselves provide a complete explanation of the relatively slow post-war recovery of this trade. An examination of the other retarding forces should help in understanding the recent trends of this commerce, and should illuminate some of the limitations on its future course; since, even if the light of international understanding were to penetrate the overcast which exists at present, many of these limiting factors would remain.

I. *The Relation of East-West Trade to European Recovery*

Among the basic causes of the post-war European economic crisis which led to the inauguration of the Marshall Plan was the inability of Eastern Europe to provide Western Europe with commodities normally imported from that area. The collapse of trade with the East, along with the disruption of the West's own facilities for production, trade and transport, and the loss of income from shipping and foreign investments, caused temporary paralysis in the economy of Western Europe. Physical devastation in the countries of the East that exported fuel, food and timber impeded the westward flow of these important commodities. Heavy reparations, as well as a relatively high level of regular requited exports from these countries to Russia, and to each other, also retarded trade with Western Europe. As a result, imports into Western Europe from Eastern Europe in 1947 had declined to less than 30 per cent of the pre-war volume. Exports from West to East had also fallen off drastically.

The loss of trade of the participating countries with Eastern Europe was far greater than the trade loss with any other distinguishable trading area. The magnitude of this loss may be roughly envisaged by comparing 1948 trade with Eastern

[2] The author wishes to acknowledge his indebtedness to Mr. Louis C. Boochever, Jr., whose assistance in the preparation of this article has been invaluable. The opinions expressed herein are those of the author, and should not be interpreted as reflecting those of any government department or agency. This article was originally prepared early in 1950, and dealt only with trade through 1949. Some more recent information has been added and various revisions have been made in the present version to indicate the influence of later developments.

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Europe with that of 1938, both expressed in 1948 prices. Such a comparison reveals that ERP-country imports from the East had been reduced in the order of $3 billion, while exports to that area had declined by more than $2 billion.[3]

The decline in Germany's total production and trade was especially significant, in the light of the heavy volume of prewar German trade with the East. In 1947, trade with the East European countries for the whole of Germany was less than 5 per cent of that in 1938. Imports of grains from the East suffered particularly as a result of drought and the reorganization of agriculture in Eastern Europe which intensified the unfavorable agricultural conditions that the war had produced. Eastern European availabilities for export to the West also declined severely in other such essential commodities as timber and pulp, coal, petroleum, and potash, as well as for livestock and meat products.

The revival of trade with Eastern Europe was one of the important assumptions upon which early estimates of the magnitude of the prospective dollar deficit over the ERP period were based. For example, in developing its estimates of balance of payments through 1951, the Committee for European Economic Co-operation (the organization which preceded OEEC) assumed that an increasing part of the needs of the participating countries could be obtained from Eastern Europe, and that the participants would be able to increase their dollar earnings by maintaining a favorable balance of trade with that area. The Harriman Committee report, while recognizing the importance of East-West trade to European recovery, noted that these assumptions could well turn out to be over-optimistic, and that the estimate of dollars to be earned through trade with the Eastern Hemisphere[4] should, in any event, be modified downward.

[3] Unless otherwise noted, data on trade for 1938, 1947 and 1948 between Eastern and Western Europe are based on statistics compiled by the OEEC. Some differences between these and other statistics on East-West trade are mentioned later in this study. Data for 1949 and 1950 are primarily from the ECA publication, *Recovery Guides,* December 1950.

[4] Although the CEEC and Harriman (*European Recovery and American Aid,* 1947) reports refer to earning dollars from the Eastern *Hemisphere,* it is clear that they were largely concerned with Eastern Europe's trade within the larger area.

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In the light of actual trade developments and existing trade practice, the early expectation of earning dollars in Eastern Europe now appears to have been unjustified. Most bilateral trading agreements between Western and Eastern Europe tend to proceed on the assumption of an approximately balanced trade; and in so far as export surpluses have developed since the war they have been East European surpluses. (An East European surplus was also the pre-war pattern.) It is doubtful that Eastern Europe is earning or will earn through export surpluses with the dollar area substantial dollar reserves which could be won by Western Europe. Although a few countries in Eastern Europe have had favorable trade balances with the United States, these have not been sizable, and the area as a whole was roughly in balance with the United States in 1948 and 1949.[5] Finally, the settlement of balances in gold or free currencies under the East-West trade agreements appears relatively rare, and, according to the available information, the infrequent special provisions for payment in dollars within the agreement schedules have so far been primarily for payments to Eastern Europe. Gold payments by Yugoslavia are an exception to the general practice.

The possibility of East-West trade developing in such a way as to permit the earning of dollars by the participating countries in this market appears to be very remote, unless Russia should decide to finance a large import surplus with gold, or to make "untied" credits available in large quantities to its satellites. It is generally conceded that Russia's gold production and stocks are large, and it is one of the enigmas of Russian policy why it has not chosen to utilize them more fully. Despite the fact that there are various reports of Russian gold sales in Western markets, and although Russia may repay part of the 1946 Swedish loan of 1 billion kroner in gold, any mention of sizable potential Western earnings through Russian gold outflows should be punctuated with question marks.

The principal contribution of East-West trade to Western Europe does not lie in the possibility of direct gold or dollar

[5] In 1950 the United States had a trade deficit with Eastern Europe of approximately 45 million dollars.

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earning, but rather in the procurement from Eastern Europe of important foodstuffs and materials. These include commodities which: (a) are (or were) not available from other sources in adequate quantities (such as potash and manganese); (b) are substitutes for hard-currency imports, such as grain, coal and timber; and (c) are available at more favorable prices from Eastern Europe than from any other areas. To the extent that the Western European nations have not been able to get supplies from Eastern Europe in the same volume as before the war, they have had to rely more heavily on imports from other areas, including the United States; and so long as dollars were scarce this dependence on hard-currency sources of supply required continued American aid. ECA took the position before Congress in 1949 that "European trade cannot be brought satisfactorily into balance without a considerable expansion of trade between Eastern and Western Europe." [6]

American policy-makers have been concerned, on the other hand, about the possibility of military equipment or items of high war potential being shipped to Eastern Europe in repayment for imports from that area. Congressional feeling on this subject was expressed in Section 117 (d) of the Foreign Assistance Act which established the Economic Coöperation Administration. This section in effect requires the ECA Administrator, in so far as practicable, to refuse delivery to participating countries of ECA-financed commodities which would go into the production of any commodity for delivery to Eastern Europe for which the United States would itself, in the interest of national security, have refused an export license to Eastern Europe. Although this provision is complex and difficult to administer, the intent was clearly to prevent, for example, United States-financed equipment from ending up as components of an export from Western to Eastern Europe of a tank or a machine gun. ECA policy, therefore, while favoring East-West trade, was to encourage such trade only within security limits, in conformity with the spirit of Section 117 (d). In this connection it should be noted that security control of

[6] ECA, *A Report on Recovery Progress and United States Aid*, February 1949, p. 18.

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United States exports to the Soviet orbit was introduced in March 1948.[7]

The participating countries have generally shown themselves to be very much aware of the danger of shipping military items to the Soviet orbit; and they have been acquainted with the American control program from the outset. A State Department official reported (in part) to a Congressional Committee in the fall of 1950:

> Most of the Western European countries agree with us that it is essential to deny shipments of items of direct military significance to the Soviet bloc. These include arms, munitions, and implements of war and the equipment and material peculiar to their production. In these cases, the strategic importance of the items is generally clear and direct, and the views of the Western European countries as to what is strategic consequently coincide substantially with our own.
>
> We believe that these controls are very effective. . . .[8]

The export controls of Western European nations are not, however, as far-reaching as those of the United States, principally with respect to items of lower strategic significance. This results in large part from Western Europe's greater concern over maintaining imports from the Soviet bloc, and reflects the much greater importance of such imports to their industrial development and basic economy. It also reflects the fact that there is no self-evident dividing line between trade in "war materials" and peaceful commerce, because many items of normal use in a civilian economy are helpful in building up

[7] J. Michell George, "Export Control: An Appraisal of Significant Recent Developments", *Foreign Commerce Weekly*, March 27, 1950. The control of exports for security reasons supplemented controls prompted by shortages, but as post-war scarcities were overcome, controls for this purpose were abandoned, so that by the spring of 1950 Mr. George could state that "Export controls are thus now exercised almost completely for reasons of the national security and relevant considerations of the national foreign policy. More specifically they are exercised to restrict the export of material and equipment strategic to the Soviet Bloc in such manner as will limit the growth of the war potential of the U.S.S.R. and its satellites but without interfering with trade in items of little or no strategic significance." More recently controls imposed because of scarcities have again become important.

[8] Statement of Mr. James C. H. Bonbright in *Hearings before a Subcommittee of the Committee on Interstate and Foreign Commerce, House of Representatives: Committee Study of Export Licensing of Strategic Materials* (Washington, 1950).

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war potential or acquire military significance in time of war. The outbreak of war in Korea in June 1950, and especially the participation of Chinese Communist forces later in the year, heightened interest in security export controls, with the result that there has been a general extension as well as tightening of controls among the Western nations.

Although East-West commerce can, if not properly scrutinized, contribute directly to the military strength of Eastern Europe, many legitimate trade possibilities remain which can aid the peaceful recovery of the Eastern segment of the European continent. If Eastern European countries are to industrialize quickly and easily and at the same time to maintain or increase the supply of consumer goods, there are compelling economic reasons why they should wish to rebuild and develop westward trade. The Western countries are obviously cheaper and better suppliers of most capital and manufactured consumer goods than is Eastern Europe itself. Conversely, Western Europe offers a more attractive potential market for Eastern exports than is likely to be available in a Soviet integrated system.

II. *The Post-War Development of East-West Trade*

As a preface to the discussion of recent developments in East-West trade, it may be noted that there are wide variations among the participants in the European Recovery Program in the traditional importance which Eastern Europe has held in their total trade. In relation to the trade of the Western countries with all areas, the Eastern European component was percentagewise most significant before the war for Austria (45 per cent of imports; 39 per cent of exports). Greece, Turkey, Italy, Switzerland, Germany and Sweden all relied on Eastern Europe for more than 15 per cent of their total trade. Pre-war trade with Eastern Europe averaged about 13 per cent of Western Europe's total trade with all areas for both imports and exports. (By way of comparison, pre-war United States trade with Eastern Europe accounted for about 5 per cent of total United States foreign trade, while since the war this area has accounted for less than 1½ per cent of this country's foreign commerce.)

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After the war (1948) the relative share of Eastern Europe in ERP imports and exports declined to some 5½ per cent, chiefly as a result of the low level of availability of exportable commodities in war-ravaged Europe—both East and West. The decline in the relative share of trade with Eastern Europe (1948 compared with 1938) is most striking for Greece, Turkey, Austria and Germany. Eastern Europe, on the other hand, markedly increased in relative importance as a trading area only for Denmark and Iceland.

Considering the trade of the ERP area as a whole with Eastern Europe, the United Kingdom was the most important trader with the East before the war, accounting in 1938 for 27 per cent ($407 million) of the commodity imports of Western Europe from that area and more than 22 per cent ($254 million) of the exports to it. Germany (Federal Republic) [9] ranked next in importance in its trade with Eastern Europe, importing an estimated 16 per cent (or $239 million) of the Western total, and exporting almost 23 per cent ($256 million). Other countries with 1938 imports from, or exports to, Eastern Europe of over $100 million were Austria, Italy and the Netherlands, which, along with the United Kingdom and Germany, accounted for about 65 per cent of Western Europe's trade with Eastern Europe.

If the whole of Germany is included, however, the central position of this country in pre-war East-West trade is strikingly revealed. German trade with Eastern Europe may then be calculated at more than 30 per cent of all Western trade with the East. When it is considered that nearly 85 per cent of Germany's substantial trade with the Eastern area was with the present Soviet satellites, Finland and Yugoslavia, as opposed to the U.S.S.R., the predominant rôle which Germany played in the trade of that group of countries may be readily appreciated. Germany accounted in fact for some 40 per cent of their total imports and more than 30 per cent of their total exports. In this connection it may also be noted that percentagewise West-

[9] Except where otherwise noted, as in the following paragraph, data for Germany refer only to the area of the Federal Republic for both pre-war and post-war periods, and calculations involving the whole of Western Europe include the area of the Federal Republic.

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ern Europe was as a whole relatively far more important to Eastern Europe both as a market and as a source of imports than was true of the reverse relationship.

If we turn to more recent trade data, although the statistics on East-West trade are not as complete or dependable as those for other areas of trade, it is clear that trade turnover with Eastern Europe in 1949 still did not begin to approach its pre-war volume. Furthermore, the substantial rate of increase in this trade, which occurred in 1948, was not sustained. Although exports from West to East increased in value by more than 20 per cent in 1949 in comparison with 1948, imports from the East, which had increased markedly in 1948, remained at approimately the 1948 level. The trade in 1949 therefore resulted in a smaller export surplus from Eastern Europe. A comparison of statistics for the first nine months of 1950 with the first three quarters of 1949 shows a reduction of approximately 20 per cent in the monetary value of East-West commerce; but this decrease may be more apparent than real, for devaluation has affected translation into the common denominator of dollars.

Comparisons of the volume of East-West trade before and after the war, because of uncertainty on the exact change in prices which occurred between the two periods, are also subject to considerable error. Table A compares the trade between the participating countries and Eastern Europe for the reasonably representative pre-war year 1938, with the post-war years 1947, 1948 and 1949, and Table B presents the same information for the first three quarters of the years 1949 and 1950, with all figures unadjusted for price changes. The Organization for European Economic Co-operation has estimated that prices of commodities moving in this trade increased approximately threefold between 1938 and 1948. This index of the change in prices is somewhat higher than that of the United Nation's Economic Commission for Europe (ECE), and therefore when applied to the figures on the value of trade results in a lower estimate of the post-war volume of trade.

The OEEC figures, with this qualification, show that trade turnover with Eastern Europe in 1946 was less than 20 per cent

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of its pre-war volume (measured in pre-war prices). In 1947, the trade approximated 25 per cent of the pre-war level, and

TABLE A

TRADE BETWEEN THE NATIONS PARTICIPATING IN THE OEEC AND THE NATIONS OF EASTERN EUROPE[a] FOR 1938, 1947, 1948 AND 1949

(in millions of dollars unadjusted for changes in price levels)

	Imports from the East				Exports to the East			
	1938	1947	1948	1949	1938	1947	1948	1949
Austria	129	29.2	79.6	100.4	69	16.5	39.3	75.7
Belgium-Luxembourg	94	74.3	110.5	60.0[b]	80	61.6	96.9	109.2[b]
Netherlands	114	81.9	126.8	162.0	68	49.7	82.0	117.6
Denmark	48	84.8	112.5	112.0	36	91.5	78.6	60.0
France	91	54.6	89.1	86.4	70	47.9	51.0	105.6
Germany (Fed. Rep.)	239[c]	7.0	25.5	106.8	256	4.1	21.9	62.2
Greece	39	4.3	12.6	[d]	23	1.9	11.1	[d]
Iceland	1	6.5	7.7	7.8	1	11.8	9.9	3.6
Ireland	9	11.5	7.1	7.2	2	0.1	0.7	[f]
Italy	115	71.7	62.8	94.8	82	45.4	66.2	85.2
Norway	33	43.8	67.9	66.0	19	49.0	52.5	54.8
Portugal	7	1.2	1.6	3.6	3	3.0	2.6	2.4
Sweden	81	129.6	170.6	115.2	81	87.2	116.3	120.0
Switzerland	68	100.8	75.0	56.4	50	64.4	70.9	72.0
Turkey	31	15.0	26.0	37.2	33	19.4	21.1	31.2
United Kingdom	407	197.6	367.6	320.4	254	214.3	214.1	218.4
Total	1,506	913.8	1,343.1	1,332.[e]	1,127	767.8	935.1	1,128.[e]

[a] For a list of OEEC participants and of Eastern European nations see footnote 1.

[b] Belgium only.

[c] The area of the Federal Republic has been estimated to have accounted for approximately 70 per cent of the total of German exports and 65 per cent of total imports before the war. This figure is estimated on the assumption that these same percentages were applicable to trade with Eastern Europe.

[d] Not available.

[e] Country data will not add to totals shown, because of the omission of Luxembourg, Greece and Trieste, and because data for Austria and Iceland are from a different source. See sources below.

[f] Negligible.

Sources: OEEC Statistics for 1938, 1947 and 1948. Data for 1949 computed from Economic Cooperation Administration, *Recovery Guides: A Record of Progress in the E.R.P. Countries,* December 1950, Washington, D. C.; except for Austria and Iceland for which data were taken from Statistical Office of the U. N. International Monetary Fund, and International Bank for Reconstruction and Development (joint publication), *Direction of International Trade,* Series T, vol. 1, No. 1.

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TABLE B

TRADE BETWEEN THE NATIONS PARTICIPATING IN THE OEEC AND THE NATIONS OF EASTERN EUROPE[a] FOR JANUARY–SEPTEMBER 1949 AND JANUARY–SEPTEMBER 1950

(in millions of dollars, unadjusted)

	Imports from the East		Exports to the East	
	Jan.–Sept. 1949	Jan.–Sept. 1950	Jan.–Sept. 1949	Jan.–Sept. 1950
Austria	74.2	45.5	54.8	38.4
Belgium	41.4	38.6	89.8	58.6
Netherlands	129.8	70.9	97.0	46.8
Denmark	84.9	60.5	48.5	33.1
France	67.5	43.8	84.0	46.5
Germany (Fed. Rep.)	68.4	74.8	34.3	95.8
Greece	5.7	2.7	2.6	2.8
Iceland	6.1	3.9	1.6	2.3
Ireland	5.3	6.8	(.1)	(.2)
Italy	74.6	55.7	59.6	67.1
Norway	50.5	29.9	46.6	24.0
Portugal	1.8	1.9	1.9	2.2
Sweden	94.6	70.9	91.5	75.7
Switzerland	42.6	37.5	50.7	45.6
Turkey	28.5	19.3	18.6	14.0
United Kingdom	232.9	228.4	174.4	119.5
Total[b]	1,005.	811.	859.	689.

[a] For a list of countries see footnote 1.

[b] Country data will not add to totals shown for same reasons as given for Table A; see footnote e.

Sources: ECA, *Recovery Guides,* December 1950, except for data for Austria, Greece and Iceland which were taken from Statistical Office of the U. N. International Monetary Fund, and International Bank for Reconstruction and Development (joint publication), *Direction of International Trade,* Series T, vol. 1, Nos. 1, 6 and 7.

in 1948 approached 30 per cent of the pre-war level.[10] Devaluation in the fall of 1949 complicates still further comparisons for subsequent periods, but rough estimates indicate the volume of trade for 1949 and 1950 to have been in the range of 30 to 40 per cent of the pre-war volume.[11] The low level

[10] ECE calculated exports from West to East in 1947 at 40 per cent of the 1938 volume and from East to West at 27 per cent. The corresponding figures for 1948 were 43 and 41 per cent. See ECE, *Economic Survey of Europe in 1948* (Washington, 1949), p. 278.

[11] Measured in current prices, imports from Eastern Europe in 1949 were valued at about $1.3 billion, approximately 12 per cent less than in 1938. Exports to Eastern Europe in 1949 ran about $1.1 million in current prices, approximately the same as in 1938.

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in the physical volume of this trade is particularly marked if comparison is made with total exports and imports of the OEEC countries, which by 1949 were respectively over 100 per cent and 90 per cent of their pre-war magnitudes, and in the third quarter of 1950 these figures were respectively about 130 per cent and 100 per cent.

Aggregate statistics on post-war trade between Western and Eastern Europe have been strongly influenced by the course of German trade. This results from the important position in trade with Eastern Europe enjoyed by Germany before the war, the very heavy devastation of German productive facilities, the lack of trade relations between many Western countries and Eastern Germany, and the relatively slow recovery of the German economy. For example, if trade of the Western Zones of Germany is excluded from the calculation of the totals for the OEEC countries both before and after the war, estimated trade of Western Europe with Eastern Europe in 1948 rises from approximately 30 per cent to about 35 per cent of the pre-war volume. If all West European trade with the *Eastern* Zone of Germany is also excluded from consideration, East-West trade may be estimated in 1948 to have attained 45-50 per cent of the pre-war volume.

When 1949 is compared with 1948 the principal shifts in the value of trade with Eastern Europe among the participating countries which have an important trade with that area are: (1) The substantial expansion of exports to Eastern Europe from Austria, Germany (Federal Republic) and France, and the smaller though still significant increases from Italy and the Netherlands. Denmark alone had a significant decline in exports. (2) The large expansion of German imports from Eastern Europe and the more modest gains of Austria, Italy and the Netherlands. Imports declined significantly for Belgium-Luxembourg, Sweden and Switzerland.

The first three quarters of 1950 show a continued rapid expansion of German exports to Eastern Europe and a modest increase in the value of German imports from the East, but it should be recalled that these represent increases from a very low base. Other important Western European trading nations, with the exception of Italy which reveals a modest increase in

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exports, show a decline in the value of both their shipments to and receipts from Eastern Europe; but this decrease in value, as previously indicated, may to a considerable extent be merely a manifestation of currency devaluation. These statistics, of course, do not yet significantly reflect whatever impact the Korean War and the subsequent deterioration of East-West political relations may have had on trade between the two areas.

The U.S.S.R., Poland, Finland and Czechoslovakia since the war have been the principal East European sources of supply for OEEC countries. Together these four countries have been supplying approximately 80 per cent of Western Europe's imports from the East European area. Although imports from Eastern Europe to the OEEC area as a whole were maintained in 1949 at about the 1948 level, there were significant shifts in the sources of these imports. This is shown in Table C. While

TABLE C

EASTERN EUROPE'S TRADE WITH THE NATIONS PARTICIPATING IN THE OEEC

1948–1949

(in millions of dollars, current prices)

	Exports to Western Europe		Imports from Western Europe	
	1948	1949	1948	1949
U.S.S.R.	284	242	151	239
Bulgaria	13	13	11	15
Czechoslovakia	255	206	240	259
Hungary	71	113	49	94
Poland	302	377	184	219
Rumania	29	21	18	24
Total for 5 satellites	670	730	502	611
Total for 5 satellites plus U.S.S.R.	954	972	653	850
Finland	258	241	253	237
Yugoslavia	91	123	100	125
Total for Eastern Europe ..	1,303	1,336	1,006	1,212

Source: Computed from United Nations, *Economic Bulletin for Europe*, vol. 2, No. 2, Second Quarter, 1950. Table XXI.

(This table is not strictly comparable with Tables A and B. Among other differences, the source used for this table shows both exports and imports on an f.o.b. basis; whereas sources employed for the previous tables reported only exports on an f.o.b. basis while imports were shown on a c.i.f. basis. Furthermore, the source of the present table has included the trade of the whole of Germany in the totals for Western Europe.)

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Soviet and Czechoslovakian exports to the West declined, Polish, Yugoslav and Hungarian exports increased substantially. Imports from Western Europe showed a general rise over 1948.

The Soviet trade with Western Europe, which showed a sizable export surplus in 1948, was approximately in balance in 1949. This shift in Soviet trade with the West is largely attributable to the fact that in 1948 the U.S.S.R. concluded trade agreements with the United Kingdom, Switzerland and Belgium under which large deliveries of grain were made during 1948 and early 1949, in exchange for which the OEEC countries were to produce industrial equipment for later delivery. The shipment of some of this equipment is presumably reflected in the substantial increase shown in Russian imports from Western Europe for 1949.[12]

Western imports and exports to Poland, Hungary and Yugoslavia increased substantially during 1949. In the case of Yugoslavia, the increase in trade with the West accompanied the radical shifts in Yugoslavia's foreign economic and political relations, which followed the break with the Cominform. As a result Yugoslavian timber and non-ferrous metals are moving in increasing quantity to the West. In value, Yugoslav exports to OEEC countries increased by 35 per cent and imports by 25 per cent in 1949. The reorientation of Yugoslavia's foreign trade, however, has not yet reflected itself fully in the trade statistics. Trade-agreement commitments with the West and the granting to Yugoslavia of long-term credits create the prospect of a more striking shift in Yugoslavia's trade. Western trade with Hungary showed an even more rapid rate of gain in 1949, but the large percentage increases represent a belated recovery from extremely low 1948 levels.

Eastern Europe traditionally has had an export surplus in its dealings with Western Europe, the proceeds of which the East has used principally to purchase raw materials, machinery, foodstuffs and services in other parts of the world. The Western

[12] It is worth recalling that Russia's total foreign trade declined steadily from 1930 until the outbreak of World War II. In 1935 the value of Russian exports was less than 38 per cent of the 1931 value (both measured in 1936 rubles), and Russian imports had declined even more drastically.

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visible trade deficits may be summarized as follows (in millions of dollars):

1939	$379
1947	$146
1948	$408
1949	$204
1950 (first 9 months)	$122

The large 1948 deficit reflected in part slower shipment from the West of manufactured items which had lengthy delivery periods and which were exchanged for more promptly delivered Eastern foodstuffs and raw materials. Some of the East's post-war earnings in commodity trade have been employed for the purchase of wool, rubber and other commodities from non-participating parts of the sterling area; and to a lesser extent they were absorbed by Eastern Europe's payments on debts incurred through nationalization of foreign properties and by other payments on invisible account. In September 1950, *The Economist* estimated post-war Russian imports of rubber and wool to be several times their pre-war average, although Soviet imports of tin appear to be far smaller than before the war.[13]

In 1949 the imbalance in Western Europe's trade with the East was greatly reduced. This trend in the trade pattern is a natural concomitant of the system of bilateral balancing of accounts and the limitations on transferability and convertibility of most European currencies. It follows more particularly from the fact mentioned above that in 1949 Western Europe delivered some of the manufactured goods contracted for in previous years, against which Eastern Europe—and especially the U.S.S.R.—had made advance deliveries in 1948.

[13] The following is taken from *The Economist*, Sept. 23, 1950, p. 526, "Estimated Imports of Strategic Materials into the U.S.S.R."

Commodity	Unit	Pre-war Average	1946	1947	1948	1949	1950 [a] (annual rate)
Rubber	'000 tons	30.0	9.5	35.0	100.0	105.0	85.0
Tin	"	11.0 [c]	2.0	1.0	0.3	0.3	0.7
Wool [b]	min. lb.	10.0	5.0	30.0	35.0	45.0	42.5

[a] Annual rate based on first 9 months for rubber, first 8 months for wool, and first 6 months for tin. [b] Clean basis. [c] *Sic.*

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TABLE D

TRADE BETWEEN EASTERN AND WESTERN EUROPEAN COUNTRIES BY GROUPS OF COMMODITIES

(millions of dollars in 1948 prices)

Commodity	Exports from Eastern to Western European Countries					Exports from Western to Eastern European Countries				
	1938	1947	1948	1948 as percentage of 1938	1948 as percentage of 1947	1938	1947	1948	1948 as percentage of 1938	1948 as percentage of 1947
I. FOOD, BEVERAGES, AND TOBACCO										
Live animals and animal products for food [a]	671	18	43	6	239	26	101	76	292	75
Cereals and products	670	21	209	31	995	21	6	3	14	50
Vegetable and animal oils and fats	55	8	6	11	75	49	36	59	120	164
Other food and tobacco	289	58	49	17	84	86	34	32	37	94
Total Group I	1,685	105	307	18	292	182	177	170	93	96
II. FUEL										
Coal and coke	140	132	248	177	188	50	...	17	34	...
Mineral oil and products	91	6	13	14	217	6	4	5	83	125
Total Group II	231	138	261	113	189	56	4	22	39	550
III. RAW MATERIALS AND MANUFACTURES										
Hides and skins, leather manufactures, and other inedible animal products	168	27	17	10	63	89	11	6	7	55
Wood and pulp and manufactures thereof	916	344	370	40	108	69	17	23	33	135
Textiles and manufactures	373	98	51	14	52	335	81	101	30	125
Metals and manufactures	101	73	81	18	111	399	90	141	35	157
Machinery, instruments, and vehicles	38	46	51	134	111	541	224	218	40	97
Other commodities [b]	243	135	153	63	113	357	178	176	49	99
Total Group III	1,839	723	723	39	100	1,790	601	665	37	111
Total all groups	3,755	966	1,291	34	134	2,028	782	857	42	110

NOTE: Footnotes and explanation on following page.

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TABLE D—(*Continued*)

FOOTNOTES AND EXPLANATION

[a] Including draught animals and fish.

[b] Including items from all groups not separately specified in national trade statistics.

Source: UN, *Economic Bulletin for Europe*, Second Quarter, 1949.

This table was prepared by the Economic Commission for Europe. As a result the data, which are valued in 1948 prices, do not coincide exactly with those used elsewhere in the text, which are based on OEEC statistics, and which employ other price bases.

NOTE: The figures in the table are necessarily of an approximate nature owing to boundary changes in Europe (especially in Germany), to differences in sources available for pre-war and post-war years, and to the difficulty of adjusting reported values to constant prices. Data for 1938 are based chiefly on the trade statistics of Eastern European countries, whereas those for post-war years are derived from Western European sources. The figures from these sources on exports from Eastern Europe in 1947 and 1948 have not been adjusted to exclude freight and may somewhat overstate their level compared with 1938. In the 1938 figures the whole of Germany is included in Western Europe. In the post-war figures the U.K./U.S. Zone only is included in the group, and the Soviet Zone (to the extent that it is shown separately in the trade statistics of Western European countries) is included in Eastern Europe. The inter-zonal trade of Germany is not included. Apart from Germany, the country composition of the two groups is as follows: Western Europe—Austria, Belgium-Luxembourg, Denmark, France, Iceland, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, and the United Kingdom; Eastern Europe—Bulgaria, Czechoslovakia, Finland, Hungary, Poland, Rumania, the U.S.S.R. and Yugoslavia. Note that Western Europe here excludes Ireland, Greece and Turkey.

III. *The Commodity Composition of East-West Trade*

The basic character of the pre-war trade was the exchange of Eastern foodstuffs, coal, hides, timber and other raw materials for Western manufactured goods, machinery and vehicles. Trade in textiles moved in both directions and was approximately balanced. The commodity composition of East-West trade in 1938, 1947 and 1948 is shown in Table D.

Immediately after the war, the East's exports of foodstuffs, timber and fuel to the West fell to very low levels due to the effects of wartime devastation, large reparations shipments to Russia, and the impact of increased domestic needs. The export of grains from Eastern Europe was also diminished by drought and the fundamental reorganization of agricultural production. Western exports to the East showed a parallel decline, except in the category of "live animals", exports of which increased significantly in 1947, as Eastern Europe acquired breeding stock to restore its livestock herds.

In 1948 Eastern Europe's exports of foodstuffs recovered

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rapidly from the extremely low 1947 level, but remained well below pre-war figures. Exports of coal also increased substantially, but comparison with pre-war exports is complicated by Polish acquisition of Silesian resources. Eastern Europe remained, on the other hand, a negligible source of Western imports of animals and animal products, petroleum, tobacco, hides, skins, and leather manufactures and textiles—in contrast to its pre-war position. Increases in the export to the East of iron and steel, metal products, and textiles were the most important on the Western side during 1948.

During 1949 a gain was shown in Eastern exports of grains, while sizable increases were registered by Western shipments to the East of machinery and other manufactured goods, as items previously contracted for were completed and shipped and the satisfying of the more urgent domestic needs in the West increased export availabilities.[14] Western European industrial output continued to expand and with the restoration of production in the German Federal Republic Western productive capacity no longer constituted a significant limitation on East-West trade. The Eastern countries also imported large quantities of other commodities, such as wool and rubber from overseas dependencies of Western Europe for which they need Western currencies—especially sterling.

It should be noted in Table D that several of the items in which Western imports from the East have shown the greatest decline from pre-war levels can hardly be considered basic to the economic recovery or development of the West. The sharpest decline in Western imports, for example, has been in animals and animal products; yet the effect on the Western food position has been compensated in large measure by greater consumption of less expensive and less delectable foodstuffs.[15] Possible increased Western imports from Eastern Europe of textiles and tobacco similarly cannot be considered vital contributions to the economies of Western Europe.

[14] Some additional information regarding commodity movements from Western Europe to Eastern Europe can be obtained in Economic Commission for Europe, *Economic Survey of Europe in 1949*, p. 90.

[15] British and Norwegian consumers may not agree to the compensatory value of cheaper foodstuffs as a substitute for meat.

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The decline in trade in "nonessential" items of this type indicates that Western Europe's economic dependence on a revival of East-West trade to its pre-war magnitude is not so great as sometimes represented. On the other hand, coal, timber, manganese and grain emerge as commodities in which an expanded trade with the East could be of importance to Western European economic progress.

IV. *The Mechanics of East-West Trade*

Faced with post-war shortages of gold and hard-currency reserves most European countries turned to conducting trade through bilateral trade and payments agreements. In essence, these trade agreements list quotas of various commodities available for exchange between the two parties to the agreement. They resemble hunting licenses in that they do not guarantee the holders actual results, but only assure that the pursuit of trade (game) within the quota (bag) limits is permissible; in short, that the necessary export and import licenses will be granted and foreign exchange will be permitted for the commodities specified within the quantity limitations established by the quotas. The payments agreements provide for reciprocal reimbursements, and specify the limits in which either country can have a deficit in its trade with the other, and establish how such deficits will be settled.

The actual amount of trade frequently falls short of the amounts stipulated in the agreements. For example, the Russo-Swedish agreements of 1946 called for (1) an annual exchange of 100 million Swedish crowns of goods each way; and (2) in addition, an offer by the Swedish government to the U.S.S.R. of a credit of 1 billion crowns, repayable in fifteen years, but to be spent within five years. By the end of 1950 Russia had used approximately one half of the credit, so it appears highly probable that several hundred million crowns will not be utilized by the expiration of the credit period. Trade under the annual agreement has also been running at considerably less than the planned rate. The reasons why the treaties have not borne more fruit are numerous and complex, but some can be identified. The Russians have been unwilling to pay the prices asked by

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Swedish manufacturers, which they consider too high. Furthermore, the Russians have refused to import commodities that they do not regard as essential, while the Swedes have been reluctant to expand their heavy capital goods' industries solely to satisfy what appears to be a temporary Russian demand for electrical goods and other machinery.

Some trade is carried on outside of bilateral arrangements by private compensation transactions, barter, and purchases with convertible currencies. In general, however, most of the trade between Eastern and Western Europe is covered by trade and payments agreements. It is estimated that more than 90 bilateral trade agreements were in operation during 1949, counting only one agreement between any two countries and assuming the customary renewal of previous agreements in a number of instances. Eliminating from the calculation three countries (Ireland, Portugal and Albania) which had a negligible amount of East-West trade and no East-West trade agreements, bilateral agreements were in existence in 1949 for some 75 per cent of the possible bilateral East-West combination.[16]

Trade-agreement commodity quotas constitute a framework within which further negotiations take place on specific prices and delivery dates. These negotiations are, subject to some exceptions, generally carried on by state trade monopolies on the East European side and private business men from Western Europe. Most East-West agreements are concluded for a period of one year, but, once an agreement has been completed, its general terms often remain in force, although new commodity schedules may subsequently be substituted in a protocol. Many agreements are automatically renewable for one-year periods unless denounced.

Payments agreements accompanying East-West bilateral trade pacts also do not usually have to be renegotiated each year, and are frequently merely extended and modified. The majority of agreements between OEEC and Eastern European countries es-

[16] The author is indebted to Miss Helen Lincoln of Washington for the information in this and the paragraphs immediately following. This information and occasional references elsewhere in this report have been abstracted from unpublished material which she prepared.

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tablish clearing accounts in terms of the Western currency in the Western European central bank (with U.S.S.R. and Czech agreements as frequent exceptions to this practice). This contrasts with agreements between West European countries, under which accounts are more often held in both countries.

Clearing accounts generally must balance at the expiration of the agreement or at some stipulated date. The agreement usually establishes a credit limit or "swing". If trade becomes unbalanced beyond the credit limit, provisions of typical agreements call for suspension of deliveries; charging of interest; consultation between the agreement partners; or payment by the debtor in convertible currencies or gold of the excess above the swing. At the conclusion of the agreement final settlement of balances may be provided for by additional commodity deliveries; by payment in gold, dollars or other foreign exchange; or by means to be decided through consultation, or at the demand of the creditor. In practice there is a tendency to avoid the transfer of gold or hard currencies in reaching settlements, and frequently, even though the agreement provides for currency settlement, the imbalance will instead be absorbed in a new agreement or protocol.

Sterling is acceptable by several countries in both Eastern and Western Europe in settlement of balances. The U.S.S.R., Poland, Finland and Czechoslovakia on the eastern side of the Iron Curtain, and the United Kingdom, Sweden, Norway, Italy and the Netherlands on the western side, belong to a group within which there is limited but automatic transferability of sterling. If the Netherlands incurs a deficit in its trade with Poland, for example, but has a current sterling surplus, the debt may be settled by transferring sterling without further permission from either the Bank of England or the Bank of Poland. It is doubtful, however, that in the near future a more inclusive system of multilateral East-West clearing will be based on sterling as has occasionally been proposed; since neither the United Kingdom nor Russia is likely to encourage such a development. The British were reported at one time to fear that additional sterling might reach Eastern Europe through devious channels; and thereby interfere with the best distribution of British ex-

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ports.[17] Russia on the other hand appears to have aspirations of making the ruble a medium for international accounting, and the recent revaluation of the ruble in terms of gold may be intended, *inter alia,* as a step in this direction. Dollars have occasionally been required for settling net imbalances within trade-agreement quotas for important commodities such as Polish coal.

There are many variations of the pattern of trade described above. Some agreements lack commodity quotas, delivery schedules, or agreement values; others do not include clearing arrangements; while certain of them provide for an exchange in free currencies. A major exception to the annual bilateral trade and payments agreement is the long-term agreement of two to seven years' duration. Czechoslovakia, Hungary, Poland, Yugoslavia and the U.S.S.R. have each concluded such agreements with one or more OEEC countries, principally Italy, Sweden, Switzerland, the United Kingdom and the Netherlands. Western industrial deliveries (of steel, electrical equipment, machine tools, ships, and transportation equipment) have in the past frequently been scheduled under long-term agreements as well as under annual agreements.

Among the more important long-term agreements concluded in 1949 were those of the United Kingdom with Poland, Czechoslovakia and Yugoslavia. The United Kingdom-Yugoslav agreement is for a five-year period, and calls for a total trade between these countries of £100 million during the agreement period. In addition to the magnitude of this commitment, the agreement is notable for the substantial credits granted to Yugoslavia—a long-term credit of £8 million and short-term credit of £5 million. Yugoslavia has agreed to export principally lumber, but also corn, other foodstuffs, hemp, tobacco and non-ferrous metals, in return for which Britain has offered to deliver raw materials, such as wool and rubber, as well as petroleum products, textiles, transportation equipment

[17] *The Economist,* March 12, 1949. This journal states further: "Some of the Eastern European countries, and Soviet Russia in particular, though members of the transferable sterling club, are not members on whose exemplary behavior implicit reliance can be placed."

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and other capital goods. At the same time Yugoslavia agreed to pay a total of £4.05 million over an eight-year period in compensation for nationalized British properties.

The agreement between the United Kingdom and Czechoslovakia is distinguished by the Czech government's having agreed to repay £36 million (£8 million for nationalized or expropriated British property, and £28 million for debts owing to the British government and private creditors), for which the British agreed to accept some "luxury" items. The original British claim totaled £40 million. Of the £36 million to be repaid, £15 million is to be paid before the end of 1954. To enable Czechoslovakia to meet these commitments the repayments for the first five years have been incorporated in a general trade and financial agreement by which Czech exports to Britain are scheduled to total £10.5 million a year of which £3 million is to be set aside annually for debt repayment. In addition to the "luxury" items, Great Britain is supposed to receive some softwood timber and machinery.

Under the five-year Trade and Finance Agreement between the United Kingdom and Poland it is estimated that by 1953 the exchange of commodities will amount to about £130 million in each direction. Britain has agreed to provide Poland with wool, rubber, crude oil, semimanufactured copper goods, tires, dyestuffs, and various types of capital equipment. Poland has obligated itself to deliver to Britain increased quantities of bacon, eggs, other agricultural products, and timber.

With the exception of the United Kingdom-Yugoslav agreement, recent long-term agreements have not granted credits to Eastern European countries for the purchase of industrial goods. On the contrary, they have required advance deliveries of Eastern raw materials against scheduled shipments of Western industrial goods.

Another important deviation from the predominant form of trade and payments agreement appeared in the 1949 trade arrangements between the United Kingdom and the Soviet Union. Contracts were placed with the Soviet Union for delivery of substantial quantities of coarse grains, softwood and plywood, without the customary signing of a formal trade agreement.

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Payment was to be made in sterling, which the Soviet Union, as a member of the transferable accounts area, was free to use in the United Kingdom, elsewhere in the sterling area, or in other transferable account countries. This departure from the usual agreement incorporating commodity delivery schedules which has characterized the trade between other Western European countries and Eastern Europe is explained, at least in part, by the large Russian requirements for wool, rubber and other commodities which are readily available in the sterling area. This procedure was repeated in November 1950 when a contract was negotiated whereby the Soviet Union is to supply the United Kingdom with 800,000 tons of coarse grains in exchange for sterling.[18]

IV. *Factors Influencing East-West Trade*

Among the fundamental political and social changes that have recently influenced the structure of world commerce none is more dramatic than the separation of Eastern from Western Europe. The basic economic conditions which have underlain trade between East and West have already been described. The West must import large quantities of foodstuffs, fuel and raw materials, of which Eastern Europe is a traditional supplier. Eastern Europe[19] presents an alternate source of supply for several basic commodities now imported in large measure from dollar markets, and, hence, East-West trade could help to reduce the long-run imbalance in Western Europe's dollar trade which was one of the principal objectives of the European Recovery Program. From the East European standpoint Western Europe is an important and traditional supplier of consumer goods, as well as metals, machinery, vehicles and other manufactured items. With the present emphasis on investment and increased industrialization, Western exports of the latter type are of even

[18] The number of bilateral trade agreements in effect in 1950 was approximately the same as the number in effect in 1949. Only two long-term agreements were signed in 1950, with Switzerland as the Western participant in both—one with Hungary and the other with Czechoslovakia.

[19] The discussion of Eastern Europe in this section relates principally to the Soviet-bloc countries.

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greater importance to the East European economies than in the past. The economic basis for mutually beneficial trade is clearly present, although structural changes are implicit as the industrial development of the East proceeds.

Whereas it is difficult to assess all the forces which have retarded this commerce, various factors which have been unfavorable to a higher level of trade are clearly distinguishable. They are discussed below.

1. Production in Eastern Europe of certain important export commodities as late as 1949 had not recovered to pre-war levels. This was particularly true of timber—the largest pre-war export in value terms—and of grains, the second largest pre-war export. Domestic requirements, furthermore, tended to remain high, partially as a result of population increases, and were an important factor in reducing the volume of exports.

For some time after the war, industrial recovery in Western Europe similarly had not proceeded sufficiently to permit a rapid expansion of exports eastward; however, by 1949 this was no longer a significant factor except in Germany. Increased requirements within Western Europe itself and the advantages of exporting to hard-currency areas tended to reduce the availability to other areas of some manufactured goods. The rearmament program may be expected to make new demands on Western industry and in turn may reduce availabilities for export to the East.

2. The division of Germany and the pre-war importance of Eastern Europe to the commerce of that nation must be considered in any evaluation of the decline in East-West trade. The relatively slow recovery of Western Germany, which was a principal pre-war supplier of manufactured goods to the Eastern countries, has been especially important in depressing the over-all level of trade between Eastern and Western Europe. The separation of Western and Eastern Germany, although not reflected in the statistical tables previously presented, has nevertheless created a frontier where none existed before. Whether the future will bring unification or not, the fact remains in the meanwhile that this once substantial, complementary commerce, which was formerly domestic, must now clear currency and

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other obstacles similar to those found in foreign trade, in addition to being subject to most of the other limiting influences herein described affecting trade between Eastern and Western Europe. The exchange of goods between the German Federal Republic and the Eastern Zone of Germany does not approach the pre-war volume of trade between these areas. This aspect of the East-West trade problem is of very great importance, since its ramifications may affect seriously the level of employment in Western Germany and the consequent degree of political stability. The present heightened demands for imports within Western Europe, however, resulting directly or indirectly from rearmament, are likely to minimize such marketing difficulties for the near future.

3. The emphasis on capital investment in the East underscores the importance to that area of obtaining long-term credits, if industrial development is to be achieved quickly and with the minimum of privation. However, policies of nationalization, accompanied by expropriation, harassment of Western business men, not to mention other political uncertainties, in addition to discouraging trade directly, have extinguished any current prospects for the investment of private Western funds in the Soviet-bloc countries. Loans by Western governments can also hardly be expected unless the political situation were to change radically.

The greater emphasis on capital investment in both Western and Eastern Europe than before the war and the low level of foreign exchange reserves have also led to a curtailment in the use of foreign exchange for the purchase of "nonessentials". Even when items less critical to economic development, such as fruits, vegetables, textiles or glassware, are included in trade agreements, there is a notable tendency for actual purchases later to be reduced or deferred and, in some cases, eliminated.

4. Although the system of bilateral agreements permitted trade to take place in the face of difficulties imposed by post-war shortages of gold and foreign exchange, the use of the bilateral mechanism with restricted "swing" provisions imposes certain limitations on that trade. Briefly, trade tends to be confined within this framework to the level of that country,

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among each pair of traders, least eager or able to trade with its partner. At the same time, the more effective system of payments worked out within Western Europe tends to increase the flow of intra-Western trade relative to East-West trade. The working out of multilateral trade deals within Eastern Europe tends similarly toward the expansion of intra-Eastern trade. In addition, the necessity for keeping trade throughout the year balanced within the credit margins leads to not infrequent delay in deliveries and sudden termination in the placing of contracts when the " swing " has been exhausted.

5. Trading practices of recently formed state trading organizations in Eastern Europe have not been encouraging to a high level of trade. Western business men complain that the East European government representatives, or those of the foreign trade monopolies, are frequently poorly informed about market conditions and " unbusinesslike " in their methods. There are protracted delays for consultation with the home government, and commercially irrelevant demands are sometimes introduced into the trade discussions.

6. Political tensions and differences have cast an ever-lengthening shadow over East-West trade, and, although these may now be considered a principal deterrent to a further growth of this commerce, we have been primarily concerned with indicating those other underlying factors which have influenced the trade of recent years. Whereas Western European export controls maintained in the interest of security may have had an impact on what might be considered " normal " trade, an examination of trade statistics through 1949 indicates that it is improbable that these controls, whatever their effect upon trade in goods of strategic importance, significantly depressed the level of East-West commerce as a whole. Physical limitations on export availabilities in Eastern Europe, accompanied by increased domestic demands, a strong bias toward increasing trade within the Soviet bloc, and the absence of conditions satisfactory to the extension of loans from the West, appear to have been more important in the recent past in setting a ceiling on this trade. Export controls, however, are likely to have a relatively greater influence on the level of trade in the future.

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7. The tendency toward closer economic integration of the Soviet bloc has unfavorable implications in the long run for trade with the West, and these are unlikely to be greatly modified by easing of political tensions. Soviet policy, reflected in the national economic plans of the U.S.S.R., has traditionally favored self-sufficiency and has utilized foreign trade to the minimum extent required to secure imports called for in its economic plans, with occasional deviations for reasons of external political tactics. The Soviet Union also favors close ties between the "People's Democratic Governments" and the U.S.S.R. and, at best, tolerates a limited satellite trade with Western Europe. It seems probable that one of the principal tasks of the Council for Mutual Economic Assistance in Eastern Europe is to reduce the economic dependence of Eastern Europe on the West. The Soviet Union would almost certainly consider an expansion of East-West trade on a continuous basis as tending to weaken Soviet control over and exploitation of the satellite economies.

* * * * * *

In concluding, it is worth recalling the long-run economic implications of East-West trade. If Western Europe cannot maintain its imports of coal and manganese and increase its imports of grains, timber, potash and other commodities from Eastern Europe, it will either have to do without these goods, produce them itself, or purchase them elsewhere, with a large portion of these import requirements coming from the dollar area. To do without these goods would mean a reduced standard of living in Western Europe, for the Western countries have already taken action to produce as much as currently feasible in their home and colonial markets, and possibilities of profitably expanding trade with other areas are limited at least in the short run. Therefore unless a decline in the standard of living, with its possible political repercussions, is to be countenanced, further purchases in the dollar area of essential supplies formerly obtained from Eastern Europe can be expected if this latter source were to dry up. Such reliance on imports from the dollar area would generally require those Western European

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countries having adverse dollar balances either to achieve larger exports to the dollar area, primarily to the United States; or to attract greater private dollar investment to themselves and their dependencies; or to receive continued economic aid from the United States; or some combination of these. In addition, the permanent loss to the West of Eastern European outlets might necessitate a shift of employment and investment from industries producing for East European markets to industries catering to other foreign areas or to the domestic market. In Eastern Europe on the other hand, the industrialization of the Soviet satellites would be retarded if they are unable to maintain or increase their purchases from the West, unless their plans for national development can be achieved by still further restrictions of their low consumption levels.

If we turn, however, to the current scene, the recent sharp improvement in the dollar-balance position of Western Europe, resulting in part from heavy purchasing by the United States in overseas dependencies of ERP countries, has greatly reduced the immediate importance for most of these countries of dollar-payments difficulties resulting from low levels of East-West trade. To some extent, however, this current strengthening of the trading position of Western Europe is offset by the general intensification of demand arising from the rearmament program and the resulting limitations on the physical availability of commodities from sources of supply that might substitute for those in the East.

Which side of the Iron Curtain, East or West, is more dependent on trade with the other? What would happen if this trade were suddenly cut off? Is one side gaining a military advantage from it at the expense of the other? What is going to happen to East-West trade? While discussion of these questions leads far beyond the scope of the present article, and while none of them can be answered with finality, the following general comments may be useful to the reader in arriving at his own conclusions on these important issues:

(a) While both Eastern and Western Europe benefit from such trade, neither side is so completely dependent on it as to be unable to survive without it. A complete cessation of East-

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West trade would, as described above, be expected to have a detrimental economic and political effect on both Eastern and Western Europe, varying widely in severity from country to country. It might also hinder rearmament efforts to some extent. The adverse political repercussions resulting from the loss of this trade, however, would presumably not cumulate without limits. In Eastern Europe, Soviet methods are notoriously effective in controlling popular unrest; while in the West, United States aid in some form, justified as a cost of the "cold war", might assist in the adjustment to such an interruption of trade, if it were to occur.

(b) Even though trade is mutually advantageous in commercial or economic terms, its strategic or military implications must also be considered. It is clear that certain types of trade which result in benefits for consumers or firms may at the same time result in strategic disadvantages for a country as a whole; and, under current circumstances, it would be foolhardy to minimize these strategic consequences. An unrestricted trade of private Western firms with government-controlled Eastern monopolies, and particularly a pattern of accepting expendable goods and materials from the East for Western capital goods, could lead to a serious strategic imbalance if it were not for controls exercised by the Western governments through trade-agreement negotiations and through licensing of exports.

(c) Increased political tension, by focusing attention on the strategic aspects of trade, rather than on peacetime consumer wants and industrial requirements, tends to restrict the flow of East-West trade. Should this tension decline, underlying economic forces would pull in the direction of trade expansion. Barring radical political changes within the Soviet orbit, however, the autarchic quality of Soviet economic planning and the Soviet interest in tight control over the satellite economies would still dim the prospect for the restoration of a high level of East-West trade on a sustained basis.

Daniel Marx, Jr.

Institute for Advanced Study
Princeton, N. J.

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POLITICAL ORGANIZATION OF THE REFUGEES AND EXPELLEES IN WEST GERMANY

THE refugees and expellees of German ancestry or origin who fled or were moved into the borders of Western Germany from the east since the end of hostilities in World War II constitute, as the United States High Commissioner has said, "the largest and potentially most explosive 'have-not' group in Western Germany."[1] These people, numbering 9,250,000 as of September 1950, form almost one fifth of the population of the West German Federal Republic.[2] They are crowded, badly housed, unemployed at a higher rate than the natives, discriminated against, resentful, largely unassimilated, always longing to return whence they came. Recently they have become a potent political factor in West Germany and may in the future determine the actual pattern of German political life.

The method of the refugees' arrival in West Germany and their problems since arrival have helped determine their political orientation. Some were evacuated from the east by the Hitler régime; others fled westward with the retreating German army or with the millions expelled from Czechoslovakia, Poland, Hungary, other countries of southeastern Europe or former German territories east of the Oder-Neisse—7,875,000 in all. Others, who because of political or other pressures in the Soviet Zone of Germany or in Berlin have become fugitives in Western Germany, number 1,375,000[3] and their number is

[1] *4th Quarterly Report on Germany*, July 1-Sept. 30, 1950, Office of the U. S. High Commissioner for Germany, p. 30.

[2] *Wirtschaft und Statistik* (Statistisches Bundesamt), No. 6, Sept. 1950; *5th Quarterly Report on Germany*, Oct. 1-Dec. 31, 1950, p. 56.

[3] *5th Quarterly Report on Germany*. For a history of the whole movement, see Eugene M. Kulischer, *Europe on the Move* (New York, 1948); Joseph B. Schechtman, *European Population Transfers, 1939-45* (New York, 1946); Jane Perry Clark Carey: "Displaced Populations in Europe in 1944 with Particular Reference to Germany", Dept. of State *Bulletin*, March 25, 1945; *The Role of Uprooted People*

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growing at a rate estimated from 15,000 to 30,000 per month.[4] In addition to these 1,375,000, some 4,692,800 of the total came from territories east of the Oder-Neisse, 3,182,300 from Czechoslovakia, Poland, Hungary and other countries of eastern and southeastern Europe.[5]

Beginning in 1945, as the waves of flight and expulsion grew, an attempt was made to bring some order out of the chaos of the refugee arrivals but the West German states (*Länder*) nearest the East German borders received the largest numbers of the fleeing throngs. As France had not been party to the Potsdam Agreement, no refugees were directed to the French Zone. Elsewhere an attempt was made to distribute the newcomers in those places least damaged by bombing and where the most housing was available. So the countryside received a proportionately larger share than the cities.

The refugees, therefore, form 38.2 per cent of the population of Schleswig-Holstein, 30.5 per cent of that of Lower Saxony and 23.6 per cent of that of Bavaria, while in the Rhineland-Palatinate in the former French Zone, even today, refugees form only 4.6 per cent.[6] In Schleswig-Holstein alone, there are no less than 1,200,000 refugees living together with 1,500,000 natives in a countryside which lacks both industry

in European Recovery, Nat'l Planning Association (1948), esp. pp. 9 *et seq.*; "Problems of Expellees" (with Margaret Hine), *Foreign Policy Report*, vol. XXV, No. 2, April 1, 1949.

The various terms—"refugees", "expellees", "evacuees", "infiltrees"—are used to describe the means by which these people arrived in their present places of residence. For the present discussion, the term "refugees" will be used to include persons who have been expelled or have fled from former German provinces east of the Oder-Neisse, from the Soviet Zone of occupation in Germany, or from countries of eastern and southeastern Europe—principally Poland, Czechoslovakia and Hungary.

[4] *4th Quarterly Report*, p. 30, gives the lower figure. According to the ECA Adviser on German Refugee Problems, for every 1,000 coming out of Soviet-occupied areas today, 500 are returning. *N. Y. Times*, March 16, 1951. See also Anne O'Hare McCormick, *N. Y. Times*, March 17, 1951.

[5] "Population Movements, Status as of Sept. 1950", Chart, *5th Quarterly Report*, opp. p. 58.

[6] *4th Quarterly Report*, Graphic Annex, p. 95. The percentages of concentration in the other states are: Württemberg-Baden, 20.6; Hesse, 18.6; Hamburg, 10.9; North Rhine-Westphalia, 12; Württemberg-Hohenzollern, 10.6; Bremen, 9.5; Baden, 8.8.

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and natural resources, consisting for the most part of barren and sparse agricultural land. In its northern climate thousands of refugees are living on charity in the most sordid conditions and have never had employment since arriving there.

The population of some towns and villages doubled, and the native German population had to take in the refugees to share their homes. Elsewhere the refugees were housed in barracks and in mass camps. Housing and employment, while improving, have not grown rapidly enough to keep up with the need; and the countryside is still proportionately more crowded than the cities, while approximately 350,000 of all the displaced populations still live in camps and an estimated two thirds of the remainder are in substandard quarters.[7] In rural areas workers are idle, while the housing shortage is still so acute in industrial areas that it is not unusual to find workers who commute 25 miles a day, sometimes by bicycle.[8] There is still a shortage of 5 million dwelling units. Over a third (33.5 per cent) of all the unemployed in Germany today come from the refugee group, though it constitutes 16.5 per cent of the total population.

The refugees were settled in groups from particular localities, so the members of each group had a desire to cling together to protect their interests and native ways and to form a united front against the native Germans. In Schleswig-Holstein, 38 per cent of the refugees came from East Prussia, 30 per cent from Pomerania, and 5 per cent from Silesia; Lower Saxony received a group consisting of 42 per cent Silesians, 20 per cent Pomeranians, 18 per cent East Prussians; Bavaria received 46 per cent from the Sudetenland and 32 per cent from Silesia.[9] These refugees, drawn together by their common background and common sufferings, began to form professedly nonpolitical, nonpartisan organizations whose chief interest was in keeping alive the traditions, customs and common culture of those who had come from the same places. Beginning locally, such or-

[7] See "Housing in 1951", *Mitteilungsblatt des Hauptausschusses der Flüchtlingen und Ausgewiesenen in Bayern*, Jan. 10, 1951.

[8] *5th Quarterly Report*, p. 61.

[9] *Expellees in Exile*, Information Letter, *Frankfurter Heft*, Dec. 15, 1950, p. 15.

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ganizations spread throughout the different West German states at rates of speed depending on the concentrations, numbers and degree of maladjustment of the groups in different places. Developing from small village and county associations, state cultural associations (*Landsmannschaften*) began to grow, though not without economic and latent political interest. The various *Landsmannschaften* seek to achieve what they deem desirable solutions for the regions from which their members come. In so doing some of them have come to disagree and take on rival interests, as for instance those among the Sudeten Germans, where there are now two organizations, the *Sudetendeutsche Landsmannschaft* and the *Landsmannschaft Sudetenland* vying for the loyalties of the Sudeten Germans.[10]

In general, all the *Landsmannschaften* agree only on the desirability of returning "home", but disagree on the methods of getting there. The proposals vary according to the political conditions existing now and before 1939 as well as with the region involved. For example, Sudeten German organizations, in contact with the Czech refugees abroad, are now discussing the formation of a new government in Bohemia, Moravia and Silesia, without regard to ethnic differences or languages among the population. The Danzig organizations have formed a government in exile advocating a Free State status again for the city. Germans from Hungary and Rumania want to return to Hungary and Rumania but would like assurance that they will not suffer from discrimination because of their ethnic origin. So refugees from areas which before 1939 did not belong to Germany are urging a foreign policy of compromises with the countries from which they have been expelled. On the other hand, refugees from the areas which did belong to Germany advocate the strengthening of Germany and weakening of the countries from which they have been expelled. For instance, Germans coming from territories now under Poland want a strong stand against Poland and Russia in the hope that these areas may be returned to Germany.[11]

[10] *Neue Zeitung*, Dec. 20, 1950; *Suddeutsche Zeitung*, Dec. 21, 1950; *Stuttgarter Nachrichten*, Dec. 21, 1950.

[11] *Expellees in Exile*, p. 17

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As might have been expected where such vast numbers of uprooted people are found, these embittered refugees gradually became more and more restive and anxious to improve their lot. As their housing and employment failed to improve rapidly, as they did not secure much of the land due them under promises of land reform, as those few who had begun to amass funds again after their arrival in West Germany became poor again through the 1948 currency reform, as they continued to be unwelcome among the native Germans, and as their nostalgia increased for return " home ", the refugees began to assert themselves politically. Where they are few in number and where economic conditions are good, they have been slower to form political union. The refugees have been assimilated more quickly in Berlin than elsewhere not only because of the immediacy of the Russian threat but also due to the fact that Berlin is a big city in which contact between neighbors is less frequent than in a smaller place. So discrimination is apt to be less obvious. Thus, for example, in North Rhine-Westphalia, where the refugees make up only 9 per cent of the population and where in the spring of 1950 unemployment had come to be approximately half the general West German average, the elections of June 18, 1950 indicated adherence to the traditional parties, a lack of development of refugee parties, and a rejection of extreme Right and nationalist groups.[12]

In general, political interest developed gradually. The State Associations (*Landesverbände*) would have liked to become political parties soon after the refugees' arrival if Military Government had not forbidden the issuance of licenses to political groups or parties interested primarily in the furtherance of refugee interests.[13]

[12] *3rd Quarterly Report on Germany*, April 1-June 30, 1950, pp. 30-34. The Christian Democratic Union obtained 93 seats, the Social Democrats 68, the Center party 16, the Free Democrats 26, and the Communists 12 (a drop of 14). For political parties, see *infra*, p. 198.

[13] MGR Title 3-210 and MGR Title 3-500, quoted Weisz, *The Evolution of German Political Parties, 1945-49*, quoted in *Expellees and Refugees of German Ethnic Origin*, Report of a Special Subcommittee of the Committee on the Judiciary, House of Representatives, Pursuant to H. Res. 238, 81st Cong., 2nd Sess., Report No. 1841 (1950), pp. 55 *et seq.* Under MGR Title 3-210, a political party was defined as "a group of persons united for the purpose of nominating and electing candidates

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Immediately on the arrival of the first refugees in 1945, the United States Military Government had ordered the German state governments in its zone to grant citizenship rights to the new arrivals; [14] but this was done reluctantly, and state residence requirements were such as to prevent many refugees from actually beginning to vote or to run for office in local communities or for election to the state legislatures until 1948.[15]

German state electoral laws, in spite of proportional representation, were designed to eliminate splinter parties and to prevent new parties from establishing themselves sufficiently to gain footholds in the state legislative bodies. The present electoral law of Hesse is a typical one in its provision for state reserve lists which can be submitted only by parties that have nominated candidates in all of its 48 single-member districts. Such nominations if made by new parties have to carry 300 signatures of voters residing in particular single-member districts—a requirement which new parties find hard to fulfill. To secure the advantage of the state reserve list, a party in addition must have received 5 per cent of all the valid votes. In Bavaria, there is a slightly different system; there every voter has two votes, one for a candidate in a single-member district and one for a candidate on the reserve lists of a *Kreis*, composed

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to public office." Under MGR Title 3-500, a political group was defined as "an organization which seeks to achieve its primary purpose through influencing the policy of action of some level of government by means other than through the nomination and election of candidates to public office."

[14] Directives of 1945-46 and July 9, 1947 requiring that persons of German extraction transferred to Germany be granted full civil and political rights except in cases of recognized disqualification under German law, *Expellees and Refugees of German Ethnic Origin*, p. 55.

[15] Under the Bonn Constitution, refugees are eligible to vote on reaching 21, no matter what their origin, if they have resided in the West German Republic for three months prior to the election in which they wish to vote. Electoral Law for the 1st *Bundestag* and 1st Convention of the Federal Republic of Germany, Art. I (1). It is also provided that all persons of German stock if not German subjects shall also be allowed to vote who on January 1, 1945 had their permanent residence within the boundaries of the German Reich as it existed March 1, 1938 or were domiciled outside these frontiers and have fled or been expelled from there or been released from war captivity and who are unable to return to their homeland and have taken up permanent abode within the federal territory, Art. 2 (2). *Monthly Report of the Military Governor*, May 1949, Annex 1, p. 129.

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of several single-member districts. To be represented in the Bavarian legislature, a party must secure 10 per cent of the votes in at least one *Kreis*.[16] In no state could the refugees by themselves enter the state-wide lists in the August 1949 elections for the Federal Parliament. In some election districts they were able to participate but not to take advantage of the state reserve lists for distribution of seats. Thus in Württemberg-Baden, refugees secured almost 15 per cent of the vote but only one candidate, and in Hesse they received 12 per cent of the vote and elected no candidate.[17]

Despite the ban on refugee political parties, social and fraternal groups were always allowed, providing they fulfilled certain requirements and were not professional or religious associations or trade unions.[18] It was inevitable that under such guise, refugee political activity began to emerge. Thus in a Danzig Social Club or Sudeten Singing Society a nucleus of political action could easily and clandestinely develop. In Bavaria, where refugees were particularly unwelcome, they began to coordinate their activities by organizing themselves into Emergency Associations (*Notgemeinschaften*) of which there were about a hundred by the beginning of 1948. Among them, the German Emergency Association, founded in Munich by Dr. Franz Ziegler, acquired a political complexion and in July 1948 received a license as a political party by the device of securing a license for the establishment of a committee to aid war cripples, victims of the 1948 currency reform, and so on, but not mentioning refugees. Such persons in turn were free to join existing legally established organizations and were attracted by Dr. Ziegler's political demands for a social order based on equality and justice and a solution of the problem of equalization of war burdens.[19]

Other ruses were tried. In view of the fact that refugees could not nominate or elect their own candidates, they created so-called "independent" tickets in local and county elections.

[16] E. W. Meyer, *Political Parties in Western Germany* (Library of Congress, Jan. 1951), p. 6.

[17] *Expellees in Exile*, p. 16.

[18] Under MGR Title 9-1001.

[19] *Monthly Report of the Military Governor*, March 1949, p. 11.

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These " independent " tickets fared better than they had hoped, for in the state-wide elections for city and county councils in Württemberg-Baden in December 1947, 19.4 per cent of the vote and the following April in Hesse 18 per cent went to the " independents ".[20] By the next month, in the Bavarian local elections for the city councils, " the expellees probably constituted an important factor in the elections " in which they secured 13 per cent of the vote.[21] Only a small percentage voted for the old-line parties. In rural Bavarian elections, there was only a slight difference between the percentage polled by the expellee lists and their proportion in the population.

In Hesse, these groups of " independents " exerted particular influence. The State Minister of the Interior worded his instructions on the administration of the electoral law of April 25, 1948 so as to deny representation to refugees and other have-nots. To contest the elections, they organized themselves loosely in a party called the Democratic Voters Association (DEWAG) (*Demokratische Wahlgemeinschaft*) in Wolfhagen and Waldeck counties, and in a similar organization, the Democratic Reconstruction Association (DWG) (*Demokratische Wiederaufbau Gemeinschaft*), in Alsfeld county. The Supreme Administrative Court for the Bizonal area upheld the protesting groups and directed new elections to be held. As a result, they secured 6 seats in Wolfhagen, 8 in Alsfeld and 10 in Waldeck, while the old-line parties lost heavily.[22]

Among the German political parties today, the four most important are the Christian Democratic Union (CDU) (*Christlich-Demokratische Union*),[23] the Social Democratic Party (SPD) (*Sozialdemokratische Partei Deutschlands*), the Free Democratic Party (FDP) (*Freie Demokratische Partei*) [24]

[20] *Monthly Report of the Military Governor*, April 1948, p. 3.

[21] *Ibid.*, May 1948, p. 3.

[22] *Ibid.*, March 1949, p. 11, and April 1949, p. 15; *Expellees and Refugees*, p. 60.

[23] Called the Christian Social Union (CSU) (*Christlich-Soziale Union*) in Bavaria and the Rhineland-Palatinate.

[24] Called the Democratic Peoples' Party (DVP) (*Demokratische Volkspartei*) in Württemberg-Baden.

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and the Communist Party (KPD) (*Kommunistische Partei Deutschlands*).[25]

In general, it may be said that the CDU is in a sense the successor of the Center party of pre-war Germany[26] but, unlike it, has sought and received support not only from Roman Catholics but also from certain Protestant elements, and in general all those non-Nazis who felt themselves to the right of the SPD. The SPD and the KPD in name and in fact are the successors of the same parties during the period before Hitler. The SPD rejects the two extremes of unlimited competition and a total planned economy, and, while advocating the political and constitutional unity of Germany, is violently anti-Communist. The FDP has no exact predecessor. It tries to collect under its banner those middle-class groups who because of traditional anti-Catholicism are unwilling to support the CDU. It openly comes out for untrammeled free enterprise in the economic sphere and freedom in the educational and cultural spheres.

Although fears have frequently been expressed that the KPD would attract a heavy following among the dispossessed and unsettled refugees, such has not been the case. The memory of their expulsion and of the Communists in the East has served to keep them thus far bitterly anti-Communist. Even their trials and tribulations in West Germany have not changed their feeling that "Whoever wants to solve this refugee problem under the slogan 'proletarians of the world unite' should first consult those Bolshevist 'proletarians' who in 1945 had already 'nationalized' the properties of the refugees."[27]

[25] For discussion of political parties in Germany, see Meyer, *op. cit.*; *Political Parties in Western Germany*, Political Activities Branch, Civilian Administration Division, Office of Military Government for Germany [OMGUS], Aug. 1, 1946-Dec. 31, 1947, No. 30; *Statistics of Elections in Germany*, Special Report of the Military Governor, U. S. Zone, March 15, 1947; Vera F. Eliasberg, "Political Party Developments", in *The Struggle for Democracy in Germany* (1950), ch. vi; Jane Perry Clark Carey, "German Politics and the East-West Deadlock", *Foreign Policy Report*, vol. XXV, No. 2, April 1, 1949, pp. 20-23; Dolf Sternberger, "Parties and Party Systems in Postwar Germany", *Annals of the American Academy of Political and Social Science*, Nov. 1948.

[26] The Center party still exists.

[27] *Expellees and Refugees*, p. 55.

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The KPD lost what strength it had had among the refugees by the announcement on May 4, 1950 that all German prisoners of war had been repatriated; that the East German People's Republic of the Soviet Zone and Poland on July 6 had concluded an agreement with Poland recognizing the Oder-Neisse line as final; that a similar agreement had been concluded by which the East German People's Republic had renounced all claims for return to Czechoslovakia of the expelled Sudeten Germans and had recognized their expulsion as "permanent and just".[28]

Nowhere in West Germany had communism developed deeper roots than in the highly industrialized area of North Rhine-Westphalia[29] where until 1948 the KPD had even been a partner in the governmental coalition. In the North Rhine-Westphalian elections of June 18, 1950, the KPD polled only 5.5 per cent of the vote in contrast to the 14 per cent it had received in 1947. In 1950 also, no KPD candidate obtained a majority in any district and the 12 successful KPD candidates were elected on the reserve list.

In none of the three autumn elections did the KPD achieve the minimum percentage of votes necessary to secure any seats. In Berlin, the unprecedentedly high total vote of 90.4 per cent of the electorate was indication that the KPD would not have reached the necessary 5 per cent to secure any seat in the Berlin City Council even if it had put up candidates.[30]

The Bavarian party (BP) (*Bayern-Partei*) has played on Bavarian resentment toward refugees and has no refugee program as such. Although the BP believes the Silesians should never have been admitted to Bavaria and wishes them to be resettled in the Ruhr or elsewhere, the party is at least willing to incorporate the Sudeten Germans culturally and economically into the Bavarian economy. Nevertheless, according to Ludwig Lallinger, member of its Board of State Chairmen, it favors a

[28] *N. Y. Times*, June 7, 22, 23, 1950; *3rd Quarterly Report*, p. 32; *4th Quarterly Report*, p. 1.

[29] *3rd Quarterly Report*, pp. 31-32.

[30] *5th Quarterly Report*, p. 35.

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distribution of all non-Bavarians, whether refugees or not, among other western zones or abroad.[31] By April 1948, the BP was strong enough to win about 15 per cent in the state elections and, by the time of the elections to the Federal Parliament in August 1949, to control 32 per cent of the seats. In the elections to the Bavarian state legislature in the autumn of 1950, the BP secured a representation of 39.

The Economic Reconstruction Party (WAV) (*Wirtschaftliche Aufbauvereinigung*), founded by Alfred Loritz, a Bavarian lawyer and one of the most colorful figures in German politics today, at first attracted many refugee adherents.[32] The prohibition of refugee parties, the WAV's basic tenet demanding restoration of the pre-war German eastern boundaries, and Loritz' demagogic appeals, were partly responsible. In December 1946 the WAV received 7.4 per cent of the votes in the Bavarian elections and thus secured 13 seats in the state legislature. By 1948, of the WAV's 5,300 members in Bavaria some 3,000 were refugees. The next year in the federal elections, by agreement with Günther Götzendorff, founder of the New Citizens Alliance, the two groups joined in what was to be a short-lived coalition and together won 14 seats. Early in the following year, a split came between Loritz and Götzendorff.

The WAV has been filled with bitter internal strife and has been so weakened by desertions that by 1949 only 3 of its original 14 deputies remained and it now has little if any influence among the refugees. In the 1950 Bavarian elections, the WAV received only 1.8 per cent of the vote, whereas, in the elections only fifteen months before, its percentage had been 14.4.[33]

At least part of this difficulty has been because of the scandal attached to the personality of Loritz. He was formerly Bavarian Denazification Minister but was removed June 24, 1947

[31] *Ibid.*, p. 54.

[32] *Monthly Report of the Military Governor*, Nov. 1945; *ibid.*, Feb. and March 1949. For a history of Loritz, see *Political Parties in Western Germany*, OMGUS, Aug. 1, 1949, p. 61.

[33] *5th Quarterly Report*, p. 35.

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for establishing a kind of police force within his Ministry. Less than a month later, he was arrested and sent to prison for black-market operations. Becoming ill, he was sent to a sanitorium from which he escaped and remained in such successful hiding that he was not found by the police until a year later.

His former henchman and subsequent betrayer, Karl Meissner,[34] founded the German Bloc (DB) (*Deutsche Block*) in November 1947 by bolting the WAV delegation in the Bavarian state legislature, of which he was a member. Like the WAV, the DB makes a similar appeal to the refugee desire to return home. It had some success in the Bavarian elections of November 1950.

Existing old-line political parties, large and small, have been inclined to play ostrich with the refugees, claiming, with some justice, that the newcomers were too absorbed in their own tragedies to be anything but politically apathetic.[35] Furthermore, the parties have feared to antagonize the natives by espousing the refugees too strongly, though not wishing to lose refugee votes entirely. In all elections, practical matters have appeared less important to the parties than vague generalities. Thus, in the campaign before the August 1949 elections to the Federal Parliament, all political parties played up the refugee group by promising revision of the Oder-Neisse line, though how it was to be attained was far from clear. Meanwhile the two major parties have consistently failed to see to it that a sufficient number of the newcomers have been represented in the state legislatures to provide a natural outlet for their often justified complaints.[36]

Some party leaders realize the party shortcomings in regard to refugee interests. Thus, Dr. Joseph Müller, CSU Bavarian Deputy Minister President and Minister of Justice, who has claimed much personal influence among the refugees, before the elections for the state legislature in the fall of 1950 deplored the fact that the CSU had not done more for this group and urged

[34] For a history of Meissner, see OMGUS, *Political Parties*, pp. 59, 65.

[35] *Expellees and Refugees*, pp. 55 *et seq.*

[36] *Ibid.*, p. 61.

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that its candidates be included in the CSU list to be presented at the forthcoming elections. All in all, the existing political parties have failed to meet the challenge of the refugees. From the party in power to the lunatic fringe, refugees can look in vain for anything but general promises, long-range hopes and pious sympathy. These the refugees have heard since 1945.

All the major parties have consistently been opposed to the formation of separate refugee political organizations and all in general terms stress assimilation and equality in political, economic and cultural matters. All but the KPD give lip-service approval to the Refugee Law of February 1947, but have given little or no coöperation to the state governments to help its practical enforcement. The FDP has gone further than either of the two largest parties by favoring adoption of legal and punitive measures in cases of discrimination against refugees and has advocated a liberal credit policy with low interest rates to assist their new industries.

All three parties have established special bureaus for refugee interests, but all are advisory only and have no executive voice in party affairs. Thus the SPD has a State Refugee Committee (*Landesflüchtlingsausschuss*) consisting of twelve members in each state, while the CDU has an affiliate, the Union of Expellees (*Union der Ausgewiesenen*), consisting of a planning board of twenty members in each state. The FDP has a similar committee. The Union of Expellees had so little influence that it failed to bring out the refugee vote in the Bavarian county and city elections of April 25 and May 30, 1948, so that the party actually received a setback and succeeded in capturing only 38.4 per cent instead of the 45 per cent it had hoped to gain.

The Central Committee for Refugees and Expellees (*Hauptausschuss für Flüchtlinge und Ausgewiesene*) was founded in July 1946 as an advisory body for refugee matters representing all Bavarian parties. Under the chairmanship of Dr. Hans Schütz, assisted by Dr. Willibald Müche, its Board consists of 15 members, 5 CSU and 5 SPD, 1 FDP, KPD and WAV each, plus 2 more representing the Baltic and East Germans. The refugees complained bitterly that the delegates were selected by favoritism rather than elected democratically.

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Beginning within existing units of local government, the counties (*Kreise*),[37] extending to the states, particularly in the recent elections to the state legislatures, and in the elections to the Federal Parliament in 1949, refugee political influence may be seen not only within existing political parties but also in the emergence of new ones. The groups began to mass their strength in a national movement at a meeting the end of January 1951,[38] which by mid-March had taken on an international aspect through a proclamation calling for an "international program" to bring the millions who now feel that they belong nowhere and have no rights into some kind of relation with the Western World.[39]

Many county New Citizens Aid Associations (*Hilfsverbände der Neubürger*) have come together in the State Association of Expelled Germans (LVD) (*Landesverband der vertriebenen Deutschen*), claiming to be nonpolitical and nonconfessional. Nevertheless, the county organizations were reported to be "unprincipled, opportunistic and dangerous".[40]

The next step was the organization on April 9, 1949 of the Central Union of German Expellees (ZVD) (*Zentralverband der vertriebenen Deutschen*), a merger of the state associations of the British and United States Zones, to which the organizations of the French Zone and Berlin were later added. Under the chairmanship of Dr. Linus Kather, CDU Federal Parliament deputy, Josef Walther of Lauterbach and Hans Gille of Lübeck, this amalgamation of previously existing state groups (*Landesverbände*) claims one and a half to two million refugees,[41] members of state organizations. The ZVD, advocating restraint and moderation in German politics, proclaims its nonpartisanship and lack of political bias. Its representatives are

[37] The *Kreise* correspond roughly to the American counties outside New England. For German state and local governmental structure, see *Land and Local Government in the U. S. Zone of Germany*, OMGUS (1947), *passim*.

[38] Anne O'Hare McCormick, "The Voice of the Refugees Rises in Germany", *N. Y. Times*, Jan. 3, 1951; Jack Raymond, *N. Y. Times*, Jan. 2, 1951.

[39] Michael L. Hoffman, *N. Y. Times*, March 16, 1951.

[40] *Expellees and Refugees*, p. 59.

[41] Michael Hoffman, *N. Y. Times*, March 16, 1951.

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supposed only to plead the cause of refugees to the federal and state governmental authorities.

Its policies were seen in the Charter of Expellees which was proclaimed at a great meeting near Stuttgart on August 5-6, 1950. After a demonstration in which some 70,000 refugees carried banners and posters demanding their rights, a meeting was held in which the hall of 1,200 seats was filled to overflowing. There an "Unknown Expellee" read the Charter, a mild document criticizing the failure of the federal government to give more financial and other aid, presenting what the United States High Commissioner termed valid grievances such as a demand to end discrimination by giving refugees equal rights before the law and reiterating the belief that the refugee problem is not purely German, as the occupying authorities have characterized it, but is international in scope.[42] Similar meetings voicing similar sentiments were held elsewhere, notably in Frankfurt where an estimated 50,000 refugees massed in a city square. They cheered Dr. Kather, who stated: "Our patience has lasted long enough now; we are uniting", and booed Dr. Hans Lukaschek, Bonn Minister for Refugee Affairs and himself a refugee.[43] The demonstrations and charter perhaps have their greatest significance in the fact that they are a warning signal to the German government and political parties that the just needs of the refugees cannot be ignored without serious political repercussions.

The second party aspiring to get the refugee vote is the German Association (DG) (*Deutsche Gemeinschaft*). Founded by August Haussleiter,[44] former Deputy Chairman of the Bavarian CSU, the DG was once called the Association of Needy Refugees (*Notgemeinschaft der Flüchtlinge*).[45] It appeals not only to refugees but also to victims of bombing, those whose houses have been taken by the occupying forces, those who lost their money through the currency reform, returned prisoners of war and other dispossessed. As a result, the DG is now one

[42] *4th Quarterly Report*, p. 31. [43] *N. Y. Times*, Aug. 7, 1950.

[44] For a history of Haussleiter, see OMGUS, *Political Parties*, p. 45.

[45] The name in the British Zone is still *Notgemeinschaft*.

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of the strongest organizations of the have-nots. Haussleiter has been active in trying to establish DG groups in each state and had some success before the Schleswig-Holstein elections in the summer of 1950, but as a whole the DG has been subject to constant splintering. It failed to amalgamate with the organization of the same name in the British Zone and only for a brief period joined forces with the nonpolitical Association for Action of Free Germans (TG) (*Tatgemeinschaft Freier Deutscher*), the outstanding refugee organization of North Rhine-Westphalia.[46] The brief union of the TG and DG lasted from April to June 1950.

Under the leadership of Geistlicher-Rat Georg Goebel, a former Roman Catholic priest of passionate convictions and large refugee following, the TG wooed refugee interest by leaning toward the ultra-Right German Action (*Deutsche Aktion*) and German Union (*Deutsche Union*) groups and advocating more extreme policies than the DG.

The DG program, as it appeared in its convention from August 23 to 27, 1950, in Neustadt, Hesse, opposed class struggle and condemned separate refugee parties as weakening the common front of the refugees and failing to strengthen Germany. In Bavaria, however, the DG has become strongly nationalistic under the leader of the Sudeten Germans in Bavaria, Friedrich Brehn, who vociferously demands compensation to the refugees by the Allied Powers for allowing the expulsions under the Potsdam Agreement.

After Loritz and Götzendorff split, the latter made plans to enter the campaign for the Bavarian state legislature and was instrumental in establishing the Bloc of Expellees and Victims of Injustice (BHE) (*Block* or *Bund der Heimatvertriebenen und Entrechteten*) as the political arm of the New Citizens organization. Soon afterward Götzendorff was charged with falsification of official travel documents and was read out of both the New Citizens organization and the BHE.

The BHE has now become first in importance among the actual refugee political parties. It made its first appearance as

[46] The similarly named *Sammlung zur Tat* is an organization of refugees in the French Zone but these are few in number.

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an important factor in German political life and a political party by polling 307,000 or 23.4 per cent of the Schleswig-Holstein vote in the election of July 9, 1950, almost as many as the SPD with 360,000.[47]

The election gave the BHE 15 seats in the Schleswig-Holstein state legislature where it controls the balance of power. Prolonged negotiations were undertaken for the formation of a coalition government between the BHE and the SPD but failed, so the BHE reached an agreement with the conservative coalition of the CDU, the FDP and the German party (DP).[48]

With BHE aid, Dr. Walter Bartram, a former Nazi party member and now a CDU, was chosen as Minister President of the state by the state legislature. BHE leader Waldemar Kraft was made Deputy Minister President and Minister of Finance, and BHE member Hans Adolf Asbach became Minister of Social Affairs, Labor and Refugees. These, like Bartram and another BHE leader, Dr. Alfred Gille, had all been Nazi party members. Kraft was a Captain in the SS and manager of the Reich Corporation for Agriculture in German-occupied Poland, while Asbach was a member of the Storm Troops (SA) and was also regional, legal and social supervisor of the Nazi Labor Front in Pomerania. Gille was mayor of an East Prussian town under Hitler. In the campaign, all three used demagogic appeals and showed up their unsavory backgrounds. Their defenders, however, point out that Bartram was exonerated in post-war denazification while the others had nominal Nazi affiliations.[49] Furthermore, their campaign did not have the utterly crass appeal to German nationalism made by the extreme Right parties, such as the German Rightist or the Socialist Reichs party, who failed completely because of what the occupying Powers describe as " the basic stability of the German voter today ".[50]

[47] Jack Raymond, *N. Y. Times*, July 11, 1951; Editorial, *ibid.*; Information Letter, *Frankfurter Heft*, Aug. 1, 1950, pp. 5-12; Informationsdienst, *Göttinger Arbeitskreis*, July 13, 1950, p. 2; Meyer, *op. cit.*, p. 7.

[48] The DP is anti-refugee, believing that it is impossible for post-war West Germany to assimilate the refugees and that the only solution to the refugee problem is to be found in the UN.

[49] *4th Quarterly Report*, pp. 32-33.

[50] Jack Raymond, *N. Y. Times*, July 11, 1950.

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After the Schleswig-Holstein success, Waldemar Kraft proclaimed himself leader of the refugees. He urged various state organizations to elect him chairman for all West Germany, but he found a strong competitor in Haussleiter and was not accepted by the DG leaders as such. Only after many conflicts was an agreement reached in Stuttgart on August 8, 1950, in which Kraft agreed that the goals of the DG were identical with the Schleswig-Holstein BHE. In many places the DG added the BHE name as well as organization, while other refugee and dispossessed groups adopted the BHE tactics as well as its name. Numerous groups are now found under its banner, such as the Association of Expelled Germans, the Returnee Association, the Association of the Victims of Bombing, the Association of the Victims of Denazification, the Association of Former Professional Soldiers, and the Association of House Owners Whose Property Was Requisitioned by the Occupation Forces.

As a result of the state elections held in November 1950, the BHE and DG won 15 seats in the state legislature of Württemberg-Baden, 8 in Hesse and 26 in Bavaria, in addition to the previously secured 15 of the July Schleswig-Holstein elections. This total of 64 is a far from negligible number as compared to the 467 SPD and 399 CDU/CSU seats.

In Württemberg-Baden, five political parties vied for the 100 seats in the state legislature in November 1950. The DG/BHE opened their campaign with a great rally in Stuttgart on October 21 and planned 1,500 meetings throughout the state. In their appeal to refugees and other dispossessed, they first turned to the Association of Expelled Germans who soon announced its support, partly by allowing its leader, Dr. Karl Mocker, to head the state list of candidates. He and fourteen other refugees were elected.[51] The DG/BHE emerged as a factor of importance by securing 211,599 or 14.7 per cent of all the votes. The SPD and FDP had made redoubled efforts to win refugee support, but the CDU had been content to represent the old citizens and to attack the DG/BHE leaders and their "radical" tendencies.

[51] *Stimme der Vertriebenen*, Dec. 3, 1950.

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Thus, the voters of Württemberg-Baden reversed the swing to the right begun in the federal elections and continued in the state election ballots in Schleswig-Holstein and North Rhine-Westphalia, though granting substantial representation to refugee interests.[52]

In Hesse, the BHE group, having accepted as co-chairmen several prominent members of the *Landsmannschaften,* formed what by many people was regarded as an unholy alliance with the FDP, considered the party of the established business and professional elements who are strong believers in free enterprise.[53] The BHE on the other hand advocates more equal distribution of private property and a planned economy.

In the August 1949 elections for the Federal Parliament, the FDP had secured 600,000 votes, and refugee candidates secured almost 250,000, though then running in only a few districts. The hope that the combined FDP and BHE forces in 1950 would secure even larger numbers was not destined to be fulfilled, for the two together fell well under 600,000. Of the 21 seats in the 80-member legislature obtained by the two groups, 8 were filled by BHE representatives, who immediately dissociated themselves from the FDP delegates.[54] It is therefore uncertain how many votes should be credited to BHE.[55] Six SPD refugee candidates were elected, and one from the CDU.[56]

The BHE had expressed willingness to enter a coalition government, but, once the election was over, the SPD declined to enter negotiations with the BHE and the latter became anti-SPD on the ostensible ground that "the SPD's socialization plans did not correspond with the BHE point of view."[57]

In Bavaria, the BHE joined forces with the nationalistic

[52] The SPD has 35 seats, the CDU 31, the DVP (FDP) 21, the DG/BHE 13, whereas in the 1946 legislature the CDU had had 39, the SPD 32, the DVP (FDP) 19 and the KPD 10.

[53] *Neue Zeitung,* Oct. 5, 1950.

[54] *Frankfurter Rundschau,* Nov. 27, 1950.

[55] *5th Quarterly Report,* pp. 34, 35.

[56] *Stimme der Vertriebenen,* Dec. 3, 1950.

[57] *Frankfurter Rundschau,* Dec. 6, 1950; *Frankfurter Allgemeine Zeitung,* Dec. 6, 1950.

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DG,[58] and the two groups together received 1,135,759 or 12.3 per cent of the total vote in the elections of November 26, 1950.[59] This success was partly at the expense of the divided, faction-torn WAV which lost most of its refugee adherents. So the combination BHE/DG received 26 seats, of which 21 are claimed by BHE members and 5, including August Haussleiter, are members of the DG.[60] The SPD, receiving 28 per cent of the total, for the first time became the strongest Bavarian party, barely defeating the CSU with its vote of 27.4 per cent.[61]

After long and bitter arguments, the CSU, SPD and BHE formed a new governmental coalition in Bavaria to replace the CSU government which had been in power since the failure of the CSU-SPD coalition in 1947. Although 127 of the 204 representatives in the Bavarian legislature belong to the SPD and CSU, the new coalition could not count on the complete loyalty of the conservative CSU Right wing under Dr. Alois Hundhammer and would have preferred a small coalition with the BP. Therefore to secure the support of the legislative representatives of the BHE for the new government, they were granted two state secretaryships including that dealing with refugees which was given to Dr. Theodor Oberländer, an agro-biologist who held high positions under the Nazis.[62]

In Berlin, the BHE failed to make any dent on the political situation, as it attracted only 2.2 per cent of the total vote, partly because of the realization that splinter votes away from the three established parties were regarded as votes for the Com-

[58] *Frankfurter Allgemeine Zeitung*, Dec. 6, 1950, p. 36; Don Cook, *N. Y. Herald-Tribune*, Nov. 27, 1950.

[59] In contradistinction to the other state elections of 1950, the voter participation in Bavaria was high—81.4 per cent.

[60] Of the total 204 seats, 101 were filled by elections in local district contests and 103 from general party lists by proportional representation. The 26 seats came from the latter. Two of the 12 FDP deputies are refugees; 5 of 63 SPD are refugees; but the CDU had only 2 refugees out of 64. Only the BP refused to nominate any refugee candidates. *Münchner Merkur*, Nov. 30, 1950.

[61] As the CSU won more of the direct elections than the SPD, the CSU secured 1 more seat in the new legislature and therefore became responsible for the formation of the new government.

[62] *5th Quarterly Report*, p. 36.

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munists and partly because of the greater assimilation of the refugees in Berlin than elsewhere.

The BHE met in Bonn on January 27, 1951 to attempt to form a national party.[63] Representatives from the nine existing state organizations participated in this meeting which elected a temporary Board of Directors. Waldemar Kraft became First Chairman, Hans Tichi, a deputy in the Federal Parliament and formerly a WAV, became Second Chairman, and Professor Wilhelm Ziegler of Hesse, a member of the Central Union of the Victims of Bombing and Currency Reform, Third Chairman.

The expensive pre-election activities of the DG/BHE make is seem clear that there is some financial support outside of party dues which are nominal. There is some belief that funds are coming from rightist industrialists but as yet there is no substantiation of this report. Despite its successes, the DG suffers from internal divisions and quarrels with the BHE. Kraft, though the titular leader, does not want coöperation with Haussleiter of the DG, and a split between the two organizations is expected.

In so far as any general ideological trend has been evinced, it is best seen in the *Deutsche Gemeinschaft*, the party paper of the combined DG/BHE, which in its first issue advocated:

1. Indemnification of refugees, war sufferers and other dispossessed.

2. Transfer of occupation costs to the occupying Powers themselves as the necessity of maintenance of troops in Germany is not due to the condition of Germany but the " fateful policy of Yalta and Potsdam "; and liquidation of these agreements as a main cause of the distress and splitting up of Germany as well as of the refugees' fate. The funds thus freed are to be used for equalization of burdens in this group.

3. Liquidation of occupation zones and occupation statute and restoration of German sovereignty.

4. Adequate and fair restitution of the financial property lost by both expulsion and monetary reform.

5. Reëstablishment of expelled and war-damaged industries by the setting up of responsible economic and credit policies.

[63] Jack Raymond, *N. Y. Times*, Jan. 2, 1951.

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6. Undelayed settlement of the question of land reform, with preference to expelled farmers in the purchase of vacant farms.

7. Acknowledgment of the demand of the refugees to return to their home countries.

8. End of defamation of the German soldier.

9. Establishment of a program of training for youth and education for participation in political life with special consideration of the refugees' home countries.

10. Prevention of systematic recruitment for labor and active service in foreign countries.

11. Discussion of the problems of German remilitarization only after the restoration of Germany's equal rights in all fields of European coöperation.

The only refugee political groups which have emerged have thus far been bound together by their grievances and not by any positive political program. Their political organization and influence vary with their composition, local concentration and degree of maladjustment, as well as with the general economic and political conditions. The United States High Commissioner has pointed out that the refugees cannot be categorically defined in orthodox political terms of " leftist ", " rightist " or " nationalist ". They cannot be said to be extremely nationalistic, as their loyalties are to their former homes rather than to Germany today, but they would be ready to support any national policy that seems to give forth a ray of hope that they may some day return to their former homes.[64]

While it is true that the refugee organizations have assumed greater importance politically in the last few months, it is impossible to assess how much. In September 1948 such organizations were reported to have barely over 100,000 members, and six months later, spurred on by their losses under currency reform, to have grown to nearly 1,250,000.[65] By the early spring of 1951, the ZVD claimed to have 2,000,000 members.[66] Such estimates are exceedingly inaccurate as there have been constant splits, mergers, re-groupings and changes of name

[64] *4th Quarterly Report*, p. 34.

[65] *Expellees and Refugees*, p. 53.

[66] Michael Hoffman, *N. Y. Times*, March 16, 1951.

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among the refugee organizations, so that any accurate appraisal of the numerical strength or party structure of any refugee political organization or party is impossible. Furthermore, in West Germany the composition of the parliamentary bodies is not a reliable indication of the political sentiments of the people, partly because of lack of voter participation and partly because of the splintering long characteristic of Germany.

There are several factors which give a more positive slant to the possibilities for ameliorating the condition of the refugees and may lessen their drive for political power. World conditions, the growth of rearmament programs, economic improvement in Western Germany and the accumulated effect of ERP assistance have certainly helped lessen refugee problems during the last months. Within the West German Republic, a first step was taken in the redistribution between July 1, 1949 and November 5, 1950 to the French Zone and highly industrialized North Rhine-Westphalia of about 220,000 refugees from Schleswig-Holstein, Lower Saxony and Bavaria.[67] A second step came with the adoption of an Immediate Aid Ordinance on August 18, 1949, providing welfare activities, housing, and promotion of refugee enterprises, and so on,[68] pending adoption of Equalization of Burdens legislation. A third positive aspect is found in the fact that only about 441,000 of an estimated refugee labor force of 3.2 million were without work at the end of November 1950 [69] and that a labor shortage would exist in Western Germany without them. A fourth factor is found in the housing improvement, for it was planned to complete about 350,000 dwelling units by the end of 1950,[70] of which refugees would secure a proportionate share. Self-help housing developments have also gone forward, as has the growth of self-help refugee enterprises such as the Gablonz glass indus-

[67] *Stuttgarter Nachrichten*, Dec. 13, 1950; *Die Welt*, Dec. 13, 1950; *Suddeutsche Zeitung*, Dec. 14, 1950; *Frankfurter Allgemeine Zeitung*, Dec. 14, 1950; *5th Quarterly Report*, p. 57.

[68] Not including German refugees from the Soviet Zone. For discussion of implementing regulations, see *Frankfurter Rundschau*, Dec. 22, 1950.

[69] *5th Quarterly Report*, p. 59.

[70] *Ibid.*

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try. An Expellees Bank was created in the spring of 1950 with grants of ECA funds. Some emigration of refugees has begun. Lastly, a United States Mission under the chairmanship of Hans Christian Sonne has formulated a program for unified economic integration of the refugee groups into the West German economy.

On the other hand, these developments are only a beginning. The refugee leaders talk of "the severe unmistakable disappointments" of the year 1950 [71] as far as accomplishments in integration are concerned. The Equalization of Burdens legislation has not yet become an actuality although such a law has been under discussion for several years.[72] The refugees feel equalization of burdens to be their most pressing problem and are restive about the lack of accomplishment. Therefore the question looms large on the political horizon. In the Expellees Bank, funds available can meet only about a third of the demand for credit. Completely adequate housing can be reached in the distant future. Redistribution has not proceeded nearly fast enough to suit either the refugees or native Germans.[73] Little has been done for the refugees in the line of land reform. Credit procedures have not yet been simplified so that refugee businesses may secure loans quickly and without prejudice. Social assimilation is far from accomplished.

Refugee political interest in returning "home" is proving a stumbling block to the development of West German governmental policies in regard to foreign affairs. Furthermore, this insistence is increasing the native West Germans' fears for a

[71] See statement of *Bundestag* deputy Dr. Kather, Chairman of the ZVD, in *Suddeutsche Zeitung*, Dec. 27, 1950.

[72] The Federal government draft was rejected by a small margin of the *Bundesrat* on Jan. 19, 1951. The *Bundesrat*'s draft law is far from acceptable to the *Bundestag* and the government coalition.

The dispute is whether the basis of the law should be restitution to those sustaining losses as a result of war or currency damage according to a percentage system in proportion to the losses sustained or according to the present needs of those most in need of help. The government draft incorporated the percentage plan plus legal claims to benefit. *Die Zeit*, Jan. 25, 1951; *Frankfurter Allgemeine Zeitung*, Jan. 26, 1951; *Stimme der Vertriebenen*, Jan. 28, 1951.

[73] *Suddeutsche Zeitung*, Jan. 11, 1951.

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repetition of war in which they will be invaded. Thus, Theodor Heuss, President of the West German Republic, tried to grasp both horns of the dilemma by declaring in his New Year's broadcast that " Germans whose homes were taken from them by expulsion carried out under the Potsdam Agreement hope to return but do not want to find the road back lined with fresh soldiers' graves." [74]

With their report in March 1950, the refugees for the first time showed an interest beyond that of their immediate future. Their plea for the establishment of an International Recovery Council to direct plans for migration, for resettlement within Central Europe, and for development of self-help projects for exiles from Soviet territory may be the beginning of a positive political program. Their slightly improved economic status may also help develop such a program. If this improvement goes far enough and rapidly enough, the refugee political parties and the demand for return " home " may wither away. It is too soon to know. In any case, the refugees form a potential for good or evil that cannot be ignored in the organization either of Germany or of Western Europe.[75]

JANE PERRY CLARK CAREY

BARNARD COLLEGE

[74] Jack Raymond, *N. Y. Times*, Jan. 2, 1951.

[75] Anne O'Hare McCormick, *N. Y. Times*, March 17, 1951.

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PRODUCTIVITY AND ECONOMICS

SOME of the most striking economic features of the world today, rural depopulation, a shorter working week, economic and unemployment crises, instability of prices and of the living standards of the working classes, used to be considered as quite separate phenomena and often extremely difficult to explain. Today they appear as the more or less direct and automatic consequences of a single cause: technical progress. This is obviously not the only cause; but it is often the main cause.

Technical progress can be measured by productivity, and this measure makes it possible to assess the principal phenomena of our economic past. It is even more important to grasp the concept of productivity when we look into the future, for this concept should make it possible to control developments in the interest of the material and intellectual well-being of mankind.

I

Chief Aspects of Contemporary Economic Development

In all economic systems industrialization means an abandonment of rural occupations. This phenomenon is more noticeable in France, since the pattern of French economy throws it into more obvious relief; but it is common to all countries. Until 1800, 80 per cent of the working population of all countries in the world was engaged in providing food for the whole population; and, consequently, eight out of every ten men were employed on the land. In India, China and the Balkan countries this distribution remains unchanged. In France today 35 to 40 per cent of the working population is sufficient to provide food for the total population; in the United States, only 20 per cent of the workers are required not merely to provide food for the country but also to provide food products for exports.

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Reduction of working hours and raising of the school age

Another fundamental characteristic of economic history is the reduction in the average number of working hours over the last 75 years. For thousands of years up to the end of the nineteenth century the average number of working hours in temperate countries remained in the neighborhood of 4,000 hours per annum. In 1890 the normal number of working hours on railways laid down by regulation was 3,876 per annum; in 1900 it was still 3,747; in 1937 it fell to 2,000 hours, almost *50 per cent less*. It is truly amazing to find that in 47 years, during which the world was convulsed by the most terrible wars, working hours had been reduced by half. The case of the railways, for which labor was originally recruited from country districts where the workers were accustomed to long hours, is a particularly striking example, illustrating an inevitable trend.

One of the immediate corollaries of the reduction in the average number of working hours is the raising of the school age. In 1949, 78 per cent of American youth between the ages of 16 and 17 and 9 per cent of those between the ages of 20 and 25 were still either in college or high school; the figures for France are 28 per cent and 6 per cent respectively. Compared with the position 100 years ago, when the average child began work at 11—today in the United States the average age is 18—the development appears particularly significant.

Periodic crises, unemployment

Although there is no doubt that over the last 150 years the standard of living of the population has risen and the purchasing power of the workers in industrialized countries has, on the average, considerably increased, it is unfortunately certain that this upward movement is subject to periodic crises which take the form of a slump in prices, bankruptcy or industrial stagnation and widespread unemployment. From 1920 to 1940, the United States had at least 2 million permanently unemployed (in 1931, there were more than 10 million, one quarter of the working population). During the same period, at least 10 per cent of Sweden's working population was unemployed (in 1921

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and 1922 unemployment rose to 24 per cent of the total number of men and women seeking occupation).

Instability and disparity of prices

A further striking feature of economic development is evident in the fact that since 1913 the general index of retail prices in France has risen from 100 to over 13,000. This phenomenon is not peculiar to France. Even the richest countries and those least affected by the war have registered an appreciable rise in prices; it is calculated that, in general, United States prices in 1948 were almost three times as high as in 1913.

The outstanding feature in this connection is that the price variations in the different economic sectors bear no relation to one another. In 1913, a haircut in Paris cost 0.25 franc; a bicycle 200 francs; 1 kwh. of electricity 0.57 franc. In 1949, a haircut cost 60 francs (240 times greater than in 1913); 1 kwh. of electricity cost 18 francs (36 times greater than in 1913); a bicycle cost 15,000 francs (75 times greater than in 1913).

The same disproportion is apparent if we compare the prices ruling in different countries. Thus, in Paris, a bicycle costs the same as 250 haircuts (15,000 francs), but in New York, a bicycle costs only 40 haircuts ($40). In Paris, a motorcar costs almost the same as a thousand orchestra seats in a good theater (450,000 francs); in New York, a motorcar of similar horsepower costs much less than 200 orchestra seats ($1,800).

What is the reason for this lack of stability in prices? What causes these crises which spread so much suffering? How has it been possible to reduce the traditional working hours of mankind to such an extent? What has become of the workers who fled the countryside? Have they found a place in the economic system and, if so, how?

II

The Mechanism of Economic Development

Technical progress

Technical progress provides an answer to all these questions. It is, of course, easier to give examples of technical progress

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than to define it; nevertheless it is capable of measurement and thus becomes a scientific concept. Long-term measurement of technical progress in production is expressed by the ratio of total output to the time required. This measure of technical progress is known more precisely as yield or productivity. For example, if, in a coal mine, 1,000 working hours are required to extract 104 tons of coal, productivity may be expressed as 104 kg. an hour.

There can be no doubt, however, that productivity has increased considerably in certain sectors and in certain countries since what is generally known as " The Industrial Revolution ". In France toward 1840, average productivity in the coal mines was not more than 40 kgs. an hour; toward 1900 it reached 80 kgs. and in 1939 was more than 110 kgs.

It must be noted, however, that increased productivity is not the same for all trades; in some trades it is incomparably greater than in the example given, in others it is almost nil. For example, more than 20,000 working hours were required to make a mirror of 4 square meters at the end of Louis XIV's reign; today, less than 200 are required. In contrast, a square meter of Gobelin tapestry cannot be made any more quickly than under Louis XIV.

In any given period, therefore, trades may be classified according to the increase or decrease in technical progress. For convenience, we shall refer to trades in which technical progress is slight or nonexistent as " tertiary "; other trades as " primary " or " secondary " according as to whether they are agricultural or industrial.

In each of the three groups thus defined, noticeable variations in the extent of technical progress are apparent; for instance, in the " primary " trades little progress has been made in tobacco production in the last 100 years, whereas cereal production has been increased tenfold through intensive mechanization, from the mechanized plough to the combined harvester. Similarly, among the " tertiary " trades there are occupations which have remained almost stationary, such as those of barber, lawyer, actor, poet, musician, and artist, and others which show some degree of technical progress, such as commerce, administration

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and building; this, of course, includes the liberal professions, teaching, and the retail and luxury trades.

The saturation point of human needs

When there is increased productivity in the manufacture of a product, the market for this product tends to reach a saturation point. Indeed, there is no single product which men will not finally refuse to buy, however low the price, if there is a surfeit of it; but there will always be a demand for scarcer products.

Thus, toward 1750, as the French population had, on an average, less than 3,000 calories of food per head, it still demanded food; it was therefore possible for the production of cereals per head to be doubled between 1750 and 1875 without overproduction. On the other hand, from 1880 onward the consumption of wheat per head of the population began to reach its peak in the neighborhood of 3 hl. per annum, and then to fall, as a result of the substitution of numerous other foods for bread.

Migration of workers

When agricultural productivity continues to increase and the consumption of food remains stationary, it follows that the agricultural population must decrease.

This explains the migration of the working population. Expelled from the land by technical progress, the workers find employment in industry as a result of consumer demand for manufactured products, even before food requirements have been fully met. But, gradually, even the "secondary" trades become saturated. If the economic system provides one bicycle for every two members of the population, one motorcar for every five, one refrigerator for every household, the number of workers in the bicycle industry, the motorcar industry and the refrigerator industry is bound to decline; and this decline will be all the more rapid because the effects of technical progress will continue to be manifest notwithstanding. In the end, only the "tertiary" goods and services remain in demand and in short supply; there is thus a call for increased labor, and pro-

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duction can be increased only by multiplying the number of jobs.

Technical progress therefore is responsible for the migration of workers from the " primary " to the " secondary " sectors and explains the general trend noted among the working population in all industrialized countries.

Mechanism of crises

The migration of the working population from the " primary " to the " secondary " and from the " secondary " to the " tertiary " sectors does not take place automatically or without entailing hardship. To the consumer it seems simple and natural enough to limit the amount of meat he eats in order to buy a bicycle, to do without a refrigerator in order to send his children to a university; in reality this choice means a complete change in the life of the producer, from the farm to the industrial suburbs and from the factory to the office. These changes are neither easy nor rapid. There is never any real correlation between production and consumption; slumps, overproduction and crises are endemic.

Furthermore, the social action taken, far from alleviating these crises, has more often than not attempted to stem the tide of progress and has resulted only in aggravating the situation. To confine these crises within reasonable bounds or to avert them altogether, the workers would have to be encouraged to move from fully manned trades to others, with the advance of technical progress and with due regard to economic developments in the most highly industrialized countries and to the natural pattern of increasing consumption.

Price mechanism

Crises are really the immediate and visible sign of changes brought about in the economic pattern by technical progress. Through natural apathy a man tends to remain in his trade as long as possible. But if production in this trade reaches a point where it satisfies and even exceeds the demands of consumption, a slump in prices is inevitable.

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Increased productivity is often accompanied by an astronomic fall in prices. The case of the mirror mentioned earlier is a striking instance of this. Each mirror in the Hall of Mirrors at Versailles (1.44 meters) cost 352 livres, at a time when the average hourly wage was from 1 to 2 sous, or 5,000 wage hours or 400,000 francs at the present rate. On the other hand, owing to the technical progress achieved during the intervening centuries, the mirror of 4 square meters, made for the first time in 1702 and which at that time cost 2,750 livres (30,000 to 35,000 wage hours), now costs 10,000 francs or 160 wage hours.

This same phenomenon explains the stability (in relation to wages) in the price of a haircut at the barber's, the reduction in the price of a bicycle compared with the same wage, and the disparity in prices found in the various countries. It still takes a quarter of an hour for a haircut in Paris, New York or Moscow; but the time required for the manufacture and sale of an ordinary bicycle has fallen in France from 600 hours in 1913 to 250 in 1949; in the United States it has been reduced to 40 hours. The cost of the bicycle has fallen, therefore, in France from 600 wage hours in 1913 to 250 at the present day, and to 40 in the United States. This explains the apparently strange disparity mentioned above, which makes the "tertiary" product appear so much dearer in the United States than in France.

It would be possible to study many other economic factors in relation to the productivity of human labor: business profits, dividends and interest, international trade and commerce, taxation and public finance.[1] It is clear that productivity is one of the most important phenomena of the economic system. It is the variable driving power of social development.

In concluding this brief survey, it may be stated that productivity essentially determines the standard of living and the purchasing power of the people.

Thus, the purchasing power of wages has remained stationary among "tertiaries". In the "secondary" sector, however, there has been a considerable increase; in particular in the case

[1] These studies appear in Jean Fourastié, *Le Grand espoir du XX^e siècle* (Paris, 1949).

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Current Prices and Purchasing Power of Wages in France from 1720–1949

	1720	*1891*	*1949*
Wage per man-hour	1½ sous	5 sous	60 francs
Price of goods or services			
a) no advance in productivity (tertiary)			
1 sq. m. of tapestry	70 livres	300 francs	70,000 francs
a shave at the barber's	5 deniers	2 sous	50 francs
b) considerable advance in productivity (secondary)			
a mirror of 4 sq. m.	2,750 livres	200 francs	10,000 francs
a bicycle with penumatic tires	.....	380 francs	13,000 francs
Number of wage hours required to pay for:			
a) goods or services—no advance in productivity			
1 sq. m. of tapestry	1,000	1,200	1,100
a shave at the barber's	1/3	5/2	1
b) goods, considerable advance in productivity			
a mirror of 4 sq. m.	40,000	800	160
a bicycle	.....	1,400	250

Price Differentials Between the United States and France

($1 = fr. 350)

	Paris	New York
	dollars	*dollars*
Secondary products:		
Table radio popular types	30	15
Wool blanket for single bed	8	5
Automobile tire 600 × 16	10	9
Domestic electric current first monthly purchase 100 kwh.	4	2
City gas 100 cu. m.	3	1.5
Tertiary products:		
Monthly wages of unskilled workers ...	50	160
Men's haircut	0.4	1.0
Hourly wages of housemaid	0.3	1.0
Mixed products or services:		
Permanent wave	4.0	5.0
Railroad coach for 60 miles	1.0	2.0

This tables indicates that the prices of products the manufacture of which is not influenced by technical progress are, at the official rate of $1 = fr. 350, higher in the United States than they are in France, while the prices of products the manufacture of which is influenced by technical progress are, at the same rate, lower in the United States than they are in France.

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Changes in the Level of Living Standards Expressed in Primary, Secondary and Tertiary Products

	Hourly wage	*Current prices of*			*Purchasing power (1906–10 = 100)*		
		A bicycle	A "quintal" of wheat	A haircut			
		Secondary	Primary	Tertiary	Secondary	Primary	Tertiary
			France				
	cent.	*francs*	*francs*	*francs*			
1891–95	80	500	19	0.40	55	95	110
1906–10	90	300	20	0.50	100	100	100
1930–35	640	400	82	4	530	170	90
1936–39	985	550	197	6	590	110	90
			United States				
	cents	*dollars* (a car)	*dollars*	*cents*			
1906–10	18	2,000	3.10	10	100	100	100
1930–35	50	800	2.30	35	700	360	80
1936–39	62	800	2.80	45	850	380	80

of mirrors where it rose from 1 to 200. This is due to the fact that the barber still takes about a quarter of an hour to shave a customer, and the tapestry-maker about 1,000 hours to make 1 square meter of tapestry, whereas in 1720 it required more than 30,000 hours to make a mirror of 4 square meters which can now be made in some 160 hours.

Any increase in productivity in relation to goods or services results in the long run in an improvement in the purchasing power of wages; on the other hand, no improvement in the relation between wages and goods and services has ever been recorded in any country, if productivity remains constant.

Similarly, if the purchasing power of an American worker today is one bicycle for 40 wage hours—whereas in France it is still 250 and in 1895 was 1,400—it is because the total number of working hours, direct and indirect, required to make one bicycle, starting from the iron ore and other necessary raw materials, has been reduced from about 1,400 in 1900 to 250 in France and 40 in the United States. There are numerous ex-

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amples where improved productivity has increased the purchasing power of wages by 30 times in 50 years.

Conversely, the purchasing power of wages remains stationary, in time and space, for "tertiary" goods and services. In Moscow, Rome, Paris and Chicago, it always takes from about three-quarters to one wage hour of a worker's salary to pay for a haircut. An orchestra seat at the opera, a visit to the doctor, a private lesson of one hour, one yard of tapestry, still cost the same number of wage hours everywhere.

Any increase in the purchasing power of wage-earners, and therefore any rise in the standard of living of the population, depends preponderantly, if not entirely, on the productivity of labor.

JEAN FOURASTIÉ

INSTITUT D'ETUDES POLITIQUES
PARIS, FRANCE

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THE TRUSTEESHIP COUNCIL: ITS FIRST THREE YEARS

THE Trusteeship Council entered upon its duties in the still-hopeful autumn of 1946, under the authority of the United Nations Charter. Its name and its constitution were new, but its fundamental purpose did not strikingly differ from that of the Permanent Mandates Commission which had gone down with its parent organization, the League of Nations. Though the new body was exalted to a coördinate rôle with the other councils of the new organization, whereas the old had been clearly subordinate to the League Council, its task remained that of supervising certain backward areas, in order to assure their advance and development toward self-government or independence, while safeguarding human rights and freedoms and securing equal treatment in the territories for all nations dealing with them. It was clear that the concept of a "sacred trust", which ostensibly and to a gratifying degree genuinely underlay the mandate system, had survived all the disillusion of two decades and the shock of a second world war. The belief that backward peoples can be guided toward self-rule by a benevolent Power's trained administration, under systematic international control and supervision, was to be given a second try.

Some changes, however, have been made. Membership of the old commission was by individuals; that of the new council is by states, selected in such a way that the "Big Five" are always represented and that the total group always contains equal numbers of states administering trust territories and states not doing so. The powers of the Council surpass those of the Commission; it can receive petitions directly from the inhabitants of trust territories and can send missions to the areas at its own discretion. The Commission, lacking both these powers, was confined to making recommendations based on the reports submitted to it by the mandatory Powers. Finally, the nature and

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scope of the Council's task have changed somewhat; for the major territories once under mandate have passed out of the tutelary phase, and there remain only those relatively minor and backward areas which if they present thus far no serious problem of native nationalism yet show correspondingly little progress toward that self-government which the Council exists to further. Charged with directing a random collection of the most impoverished, resourceless, socially primitive and politically ignorant countries on earth, the Council stands committed to achieving an ideal unlikely of consummation at any early date. The manner of its approach to this somewhat formidable task will be considered herein.

Council Procedure

In its relations with administering authorities the Council has relied where possible on the experience of the Mandates Commission. A periodic questionnaire is submitted on the basis whereof the authority's representative later stands oral examination, and recommendations derived from this procedure, as well as from the authority's own report, are the essence of the Council's report to the General Assembly. Though considerably criticized by certain members of the Council itself,[1] the questionnaire form, lengthy and complicated as it is, seems to have worked well enough.

A general and rather effective procedure for the handling of petitions was worked out during 1947, and it is notable that the colonial Powers were as willing as anyone to put a broad interpretation on the Council's exercise of this novel jurisdiction. Apparently the Council is the sole judge of what petitions to hear, and how many of them. Oral petitions may be received but there is evidently a certain reluctance to hear a

[1] Trusteeship Council, *Official Records* (1st year, 1st session), pp. 627 *et seq.* M. Pierre Ryckmans, the representative of Belgium, was indeed rather caustic, saying that he would be unable to prepare a report on the basis of it, that it was amateurish and likely to bring the Council into ridicule. Excellent summaries of meetings are to be found in the *United Nations Bulletin*, but, as in this case, a speaker's remarks are often toned down. The official records themselves lost something in color when verbatim transcription was abandoned for want of funds after the first session.

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petitioner who has already submitted his case in writing.[2] For two years the volume of petitions was not excessive, but by 1949 the beneficiaries of trusteeship seem to have awakened to a keener sense of their rights, and the flow of petitions widened to a torrent. It may soon become necessary, simply to expedite the Council's business, to establish some criterion for receipt and disposal, and in April 1950 the Council itself recommended the creation of a committee to perform this screening function, though who should sit on the committee and what tests they should apply are points not made clear.

The Council has not hesitated, either, to show its initiative in the matter of visiting missions. A mission to western Samoa was appointed at its first session, and there was no discussion of its desirability, only the manner of choosing its personnel becoming a matter of controversy.[3] The mission's report was very favorably received, and its recommendation that a higher degree of self-rule be granted the inhabitants has been given effect by the New Zealand government.

It is fair to point out that this area, by reason of its small, homogeneous population long accustomed to white contact, was exceptionally well suited to serve as the theater of the Council's first investigation and to produce happy results. The reports of later missions are a little disappointing. There can be no reasonable doubt of the individual ability and good will of the members, but the reports show a tendency to lose themselves in generalities. Yet this is probably inevitable. How can men without previous local experience make precise and searching recommendations on the basis of a few weeks' study and a few days' residence in such areas? On the other hand, if prolonged familiarization on the part of international representatives is prerequisite to international action, how soon shall we get action? Of what use is the mission-sending power, and for that matter why have a Trusteeship Council at all? This is perhaps the most fundamental question which must be answered if international supervision is ever to mean very much.

[2] *Official Records* (3rd session), pp. 90 *et seq.*

[3] *Ibid.* (1st session), p. 575 for the Iraqi, p. 606 for the New Zealand argument.

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Operational Difficulties

Certain practical difficulties have arisen in three years of operation. Conspicuous among them is that want of specific practical experience that all the members share to some degree, and which is particularly true of those who have had no prior familiarity with colonial problems. The Charter does not require these men to be experts, and not one served on the Mandates Commission. M. Pierre Ryckmans, former governor of Ruanda-Urundi and governor-general of the Belgian Congo, stands out among his colleagues as a practiced administrator and as the only one, apparently, with previous experience in a trust territory. The third session indeed provided the curious spectacle of this Council member being obliged to bail out the visiting representative from Ruanda-Urundi, who appears to have been inadequately briefed for his task and several times found himself unable to answer questions posed by his interrogators.[4] But even some of the members with previous colonial experience seem at times unsure of the present job, and the report of the mission to east Africa, for example, though very complete, suggests that it was all very new to the visiting members. It is perhaps inevitable, but a little disturbing, that the missions will see just about what the administering authority wishes them to see, and must interpret their findings to a great degree in the light of what that authority is pleased to let them know. To offset this criticism, or apprehension, in part, it is but fair to point out that some of the shrewdest comment and ablest examination have come from representatives of the smaller states, some of whom have been themselves but recently in a colonial or quasi-colonial status and are still confronted with a problem of backward groups within their own borders—notably Messrs. Padilla Nervo and Noriega of Mexico, and Carpio and Ingles of the Philippine Islands.

Much more serious than lack of experience, however, is the deliberate obstructionism of the Soviet Union's representative. The Mandates Commission did not suffer from this. Fortunately the rule of unanimity does not apply in the Trusteeship

[4] *Official Records* (3d session), pp. 40 *et seq.*

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Council, or its operations might already have been reduced to the impotence that has beset so much of the Security Council's work. It is lamentable nevertheless that the absence of a Soviet Union representative from the first two sessions, none having then been appointed, from the sixth, when none appeared, and from the seventh, when he formally absented himself in protest against the nonseating of communist China, should be a matter for rejoicing on the part of those interested in the orderly progress of business. The most earnest efforts at objectivity cannot avoid acceptance of the belief that the Soviet Union's purpose in attending at all was to embarrass the administering authorities, to retard consideration of the agenda by lengthy and technical controversy about points of procedure, and to advertise the Soviet Union as the one true and consistent friend of the weak and oppressed.

Examples of this obstructionism crowd the minutes of the third and fourth sessions.[5] On one occasion Mr. Tsarapkin demanded consideration of a matter not on the agenda and on losing his point tried to get the agenda reopened. He and his successor have objected to saving time by referring reports to committee or by expediting the question procedure, and have not shrunk from personal attacks on their colleagues. They have objected to the demand of a specific oral petition, to the ban on anonymous petitions, to language policies in the schools, to the handling of civil disturbances, and in sum to almost every phase of administrative practice and, of course, to the slowness of the advance toward independence. This continual obstructionism has naturally found its counterpart in intemperate refutations and countercharges, as well as in complaints that the Soviet Union is using the Council as a platform for communist propaganda.

The evil of this situation is twofold. Obviously, it makes for delay, rubs tempers raw, and tends to disrupt the work of the Council and bring it into discredit. More subtly, however, it sometimes obscures the fact that behind the smoke and fury of

[5] For the Soviet argument on this and the following points, see successively *Official Records* (3d session), pp. 4 *et seq.*, 15, 17, 222, 260 and 400 *et seq.*, and in particular p. 424, and *ibid.*, (4th session), *passim* especially pp. 210, 433, 631.

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Soviet obstructionism a good point may be lurking. The Soviet representative's attitude may be irritating and his choice of words ill-mannered and offensive, but he is not always wrong on the facts. There is thus always a danger that administering authorities and colonial Powers, put thus on the defensive, may fail to note that shortcomings indicated by him, or more courteously by a representative of the Philippines, Mexico or Iraq, really do exist. It is this threat to objectivity and a cool head that is potentially the most serious hazard of all, and it is to the credit of the Council's members that in spite of much provocation they have maintained on the whole a balanced and professional attitude. It is clearly a condition of success that the Council's proceedings be not marred by political and ideological rivalry, and the sad fact is that it was better off without the Soviet representatives than with them.

The capacity for obstruction of an uncoöperative member raises the question whether issues likely to generate strong national resentment can properly be handled by the Trusteeship Council in its present form. If the Council is to be an essentially administrative body, as was the Mandates Commission, it seems that questions, loaded with political and prestige-threatening implications, are unsuitable for its consideration and belong properly within the jurisdiction of the General Assembly.[6] If it is desired to confer the settlement of such questions upon the Council, more thought might well be given to the broader implications of such a policy than has been given so far, or can be given here.

Yet it is an encouraging fact that national rivalries have not been a marked feature of the Council meetings. When it was decided at San Francisco to replace individual with national representation in the new Council, friends of the mandate system and well-wishers of the new order expressed much concern lest the objective character of the international supervisory body

[6] It is suggested that such issues as the permanent statute of Jerusalem and the disposal of Southwest Africa are political questions beyond the reasonable competence of the present Trusteeship Council. See especially *United Nations Bulletin*, vol. IX (January 1 and June 15, 1950), for a summary of M. Garreau's efforts to find a solution to the former of these problems.

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be seriously compromised or lost. These apprehensions have not been realized. Though officially present as national representatives, the members have consistently acted, despite a difference of background much greater than was true on the Mandates Commission, as professional and objective students of the affairs under consideration, and have stepped into the rôle of experts so far as their experience and understanding of these affairs have permitted. It is true that the expected division of opinion between haves and have-nots—between those who administer territories and those who lack them—has materialized to some degree, and that Mr. Francis Sayre felt obliged to take regretful note of this at the opening of the fourth session in 1949, but actually he has not had much to worry about. When there is basic agreement on the value of a system and the worth of its objectives, some difference on methods and the rate of progress seems to be the best introduction to the finding of sound solutions. As has already been intimated, the critical contribution of the smaller nations has been of the greatest value to an assemblage perhaps over-prone to domination by a colonial administrator's point of view. The representatives of China, whose continued presence was the ostensible reason for Mr. Soldatov's huffy departure from the seventh session, have in fact done all and more than their share.[7] Urbane, balanced, and sometimes witty, the Chinese have frequently smoothed the path of Council debate and their loss to the meetings would be keenly felt in every respect.

Whether the United Nations as an institution has yet emerged with a personality of its own in this field is another question. Calling something an international body does not make it truly supra-national or non-national in the eyes or hearts of the world. One may state it as an impression that the United Nations as such has not taken on full reality in the members' minds—the ship has not fully found herself. It is even more plainly true that the peoples of the trust territories have only the vaguest impression of what the United Nations is all about. As New Zealand pointed out in connection with the mission

[7] See especially the skillful interrogation of the representative concerning apparent inconsistencies in the report on New Guinea, Trusteeship Council, *Official Records* (2d year, 3d session), pp. 320 *et seq.*

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to Samoa, even in this relatively advanced area it is the local government that people understand and know personally; even New Zealand seems far away to them and the United Nations the merest abstraction—and these people have little place in their thinking for abstractions. In an effort to mitigate this vague understanding and introduce a little more vitality into the concept of the international organization, the Fourth Committee of the General Assembly proposed in October 1949 that the United Nations flag be flown in all trust territories. The administering authorities unanimously opposed this mandatory resolution, emphasizing the difficulty they already had in making even national authority understood as well as respected in the territories without introducing yet another political complexity, but the resolution passed. The Council, however, declined to implement it in the spring of 1950, and there the matter rests at the present time.

The Substance of Trusteeship

Thus far we have been concerned primarily with the manner in which the Council carries out its duties, and rightly so, for the major substance of the Council's work in its first three years has been learning the methodology of its job and gaining practical experience. Some consideration, however, is due to the basic nature of the job itself, to the attitudes and viewpoints which are forming in the Council, and to such specific decisions and recommendations as have thus far been made.

Simply stated, the job like that of the Permanent Mandates Commission is the preparation of some fifteen million persons for self-government and for participation in the complex life of the modern world, and we have already seen that these people, unlike the inhabitants of the former A Mandates, are nowhere near ready for such participation. Perhaps unfortunately, one cannot simply dispose of the problem here by assuming the necessity of prolonged expert tutelage and supervision, if only because the past heritage of colonialism is too unpalatable to permit overt acceptance of its indefinite continuation. It is still all too easy for the greater Powers, especially those long accustomed to colonial responsibilities and acutely sensitive to their diminished post-war prestige and

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power, to let their fancied need of overseas territories, for historic, economic or security reasons, dominate their thinking where any question of long-term administration is involved. Once the need of an extended tutelage period is granted, there will always be the temptation to prolong it indefinitely. This possibility is what colors all discussion of one of the Council's hottest problems, namely, whether administrative union between a trust territory and a neighboring colony should be permitted. Such a step may be wholly logical and expedient if the territory is to be efficiently governed and developed, but there is always the danger that it will thus be deprived of its separate existence, and therewith of its chance to achieve the final objective. The matter is further complicated by the fact that the trust territory may have real, even critical, strategic importance for the administering country, as is claimed by the United States respecting the Pacific Islands and by Great Britain with respect to Tanganyika. How much to permit, how hard to push—these reflections impose a narrow and difficult path of detachment and balance upon the Council.

In addition to all this, the Council has taken up its duties precisely at the point in history when nationalism and the passion for self-realization are sweeping the old dependent world. To be sure it has not mounted in the trust territories to the heights attained in the Near East after the First World War or in Southeast Asia after the Second, but ominous portents of things to come are not absent. The Samoans have expressed—very politely—their wish to retrieve that independence which within old men's memories they once enjoyed. The Ewes of west Africa beg for the restoration of their former unity, and throughout the region stirrings of self-consciousness have begun to unsettle the politics of the last continent where colonialism has not been seriously challenged before. How long will these people wait, in passive or coöperative patience, and what form will new political aspirations take? Will they rally to the ancient tribal system? It is much more likely that unless their confidence is won and their political intelligence instructed they will seek salvation in specious modern ideologies including the communist.

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Amid the crosscurrents of new and old ideas, the upholders of the United Nations must and do strive to create and then to maintain the prestige of the international order of things and to ameliorate contemporary conflicts and antagonisms, even while seeking to focus primary attention on the immediate, inescapable problems of the moment—poverty, sickness, ignorance, race hatred and discrimination.

The Economic Foundations

The profound and universal want that more than anything else marks the people of the trust territories is graphically and fully displayed in the periodic reports of the tutelary Powers. If these Powers are to accomplish anything, it is manifest that the native must be got off a subsistence or sub-subsistence level and a use be found for his land which will turn to productive work and find a world market for what he can produce. Unless the world can do this, all attempts to advance his status along other lines must prove of little value.

The outlook seems best in the west African territories, where the development of agriculture under native proprietorship and control in the Gold Coast and to a less extent in Nigeria has pointed the way. The principal complications are the incipient but rapid growth of native nationalism and impatience of even temporary direction and restraint, and the sublime illogicality of political boundaries in this area, which completely disregard long-established cultural and geographical lines. The delicacy of the task of satisfying native desires and at the same time rationalizing the map of west Africa without betraying the avowed and vital purposes of trusteeship is evident.

In east Africa the situation is worse. Erosion and drought, the curse of the continent, are at a maximum here. Ruanda-Urundi, though it enjoys the unique advantage among African territories of cultural unity, suffers even more at nature's hand than its neighbor, Tanganyika. Wholly rural, congested by a population of nearly four million—almost a third of that of the whole Belgian Congo in an area no bigger than Belgium itself—the region staggers under a costly and destructive economy, the raising of about a million head of cattle; and it is

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extremely difficult to do anything about it because cattle are esteemed as the visible symbol of wealth and are inseparable from native prestige.

In the Pacific the immediate situation is not as bad; that is, it is not visibly deteriorating. The base for future expansion is, however, exceedingly small, and it is not easy to see what the native of Micronesia or even Samoa can contribute to world commerce which he is not putting in now. New Guinea, the largest island in the habitable world, still lingers in the Stone Age, and its interior was hardly known, let alone exploited, till the development of air transport after 1930. The bridge to civilization is here hardly begun—can it be built and crossed without disaster? The tiny island of Nauru, administered by Australia, presents a special case; its value rests upon the phosphate beds which constitute four fifths of the whole island and are worked in large part by imported Asiatic labor. Since this sole asset is a wasting one, a problem of rehabilitation and resettlement will present itself when the beds are exhausted, an event expected in about forty years.

Every territory then has its economic problem, complicated in every case by the risk of neglect upon the one hand, of ruinous exploitation upon the other. It must be said, Soviet representatives to the contrary notwithstanding, that all concerned realize their responsibilities; the only question is, how fully they understand the path toward solution and how far they are in a position to carry out their responsibilities. The depleted state of European treasuries at the end of the war is well known, and nobody can say with assurance that the right key to economic development has been discovered anyhow. The costly and overambitious Peanut Plan, which has already brought much criticism and not a little ridicule on Britain's Labor government, can hardly be hailed, thus far, as a fortunate economic reform.[8] The danger that mass introduction of mechanized agriculture will bring about mass expropriation and

[8] See *Official Records* (2d year, 3d session), *passim*. It is perhaps difficult to take this scheme with its faintly comic overtones quite seriously. There is real evidence that if expertly handled it can play an important rôle in Africa's salvation. Unfortunately there is even stronger evidence that it was launched without adequate preparation or understanding.

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create a floating proletariat of African Okies has not been overlooked by the Council and has brought the British a fair amount of embarrassment—at least they have been unable to explain this danger entirely away.

The Trusteeship Council is keenly and gratifyingly aware of the economic dangers. Yet it has done very little but ask questions. Vigorous and vital in coming to grips with the conduct of current business and the expression in action of its paper powers, it has moved with great caution in tackling these major, long-term problems of substance. The first three years are a history of diligent self-education, but of utmost conservatism in moving to educate administering Powers. In this it resembles its predecessor, the Mandates Commission. The members are not themselves experts; one is not sure they were intended to be. They know that sweeping recommendations for change would not and could not be carried out by the administering authorities and that compliance could not be forced by the Council if it were not freely forthcoming. The Council can elicit by direct observation, by study of petitions, and by critical examination of reports the nature of the basic problems, and can issue recommendations for action when the full facts and practical possibilities are known. To ascertain these facts and possibilities is a task not within its present competence or powers.[9]

Health and Social Welfare

In the same manner, there is hardly a report that does not mention the problem of health and deplore the inadequate medical facilities available—but there is no solution without further knowledge and heavy expenses. Even the layman knows that Africa is the home of many diseases and it is clear that the problem of disease can be attacked only on a continent-wide scale. This calls for a pooling of the medical knowledge of the whole world, and can be achieved only if some scheme of international financial participation can be devised. The local governments —let alone the local populations—will hardly achieve it un-

[9] Nobody really knows just how much capital and whose is now invested in the territories; see, for example, *United Nations Bulletin*, vol. VIII (October 15, 1949).

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aided, and about all the Trusteeship Council can do is point out and publicize the need.[10]

The problem of social conditions is closely related. The old and classic scourge of forced labor, now forbidden by international convention, seems not to have raised its head in the past three years. The Council, however, has discovered, to the evident surprise of some of its members, that corporal punishment survives in some of the territories as a legal penalty for crime. This naturally stirred opposition to its being further countenanced by the administering authorities, both as a custom inhumane and antiquated in itself, and because it was never administered to whites, but to natives only. With this point of view the administrative representatives themselves were disposed to agree, pointing out that the penalty was rarely used or at least rarely authorized and that efforts were being made to put an end to it. M. Ryckmans noted, however, that the only practical alternative was imprisonment, that a penalty to be effective must be regarded as unpleasant, and that in some parts of Africa the natives felt neither fear nor shame concerning imprisonment, regarding it rather as a sort of rest cure, during which they were fed and housed better than they ever were at home. This attempt at rational explanation caused M. Ryckmans to be branded by the Soviet representative as a defender of corporal punishment.

This is hardly the place to reach a conclusion whether flogging may, in some circumstances, be good penology. But it is plainly a good thing to have the question aired and discussed in the kind of forum which the Council provides. The fact seems to be that the world is just approaching the point where an understanding of these issues together with a real appreciation of native culture and ideals is becoming possible on any but a crudely empirical basis, and, if this is so, the Council must inevitably operate at the margin of the problem. Nevertheless, the sequel to these discussions was a recommendation of the Fourth Committee in October 1949 that corporal punishment,

[10] As evidence that the Council is already reaching the limit of its effectiveness on the technical side one has but to read the increasingly repetitious discussions of administrative reports submitted to the fifth and following sessions. Fuller knowledge is needed than an occasional visiting mission can provide.

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together with child marriage, be abolished, the United Kingdom and South Africa objecting.[11]

Prospects for Political Advancement

It should be clear that political advancement in the trust territories cannot well be discussed apart from the society and the economy in which it has to take place. Perhaps it would be sociologically sounder for the Council to defer any consideration of it till these conditions were better understood. Politically this is of course impossible, since the goal of self-government is the very focus of the Council's purpose in life and the question of its realization is sure to be raised by the noncolonial or anti-colonial Powers if the administering authorities show signs of ignoring it. There is much discussion every time a report is received of the state of political institutions, and much deploring of the slow rate of progress. As a matter of fact large-scale government of any kind, let alone popular participation in it, is a phenomenon unknown to the people of the trust territories. In Samoa, a small and homogeneous community with strong traditions of its own, the integration of local councils into a central organ of government had progressed considerably before the Trusteeship Council appeared on the scene, and further steps have been taken by New Zealand in accordance with the Council's wishes. The success of this device, however, depends on local conditions which are not matched elsewhere, save perhaps in Nauru. In general the administering authority confronts a difficult choice. Shall it turn a certain number of natives into little Europeans, indoctrinate them with the administrative point of view, and send them back to rule their fellows? Or shall it adopt the British expedient of indirect rule, developed to so high a degree in the west African colonies by the late Lord Lugard, and operate through the existing tribal system? This device has the advantage of doing least violence to traditional institutions but there are

[11] *United Nations Bulletin*, vol. VIII (November 15, 1949). The institution of child marriage exists in the Cameroons and perhaps elsewhere. It has been defended as no more than what is called betrothal in Western nations. The argument again illustrates the importance of more thorough knowledge of native attitudes and customs than at present appears to exist.

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certain drawbacks too. It is certainly not democratic, no more so really than direct rule, and it runs the same risk of separating the native ruling class from its own people even if one can presuppose intelligent and willing coöperation on the part of the native chiefdom. There is no reason to think that Africans and Pacific Islanders are less acute than other people; they will soon know it if the chief is no longer chief in fact but the flunkey of a foreign ruler, and the historic basis of his authority is soon destroyed. To the Soviet representative of course it is all very simple; he has only to berate the administering Powers for their slow advance toward democracy, which to him means the education of the people along Stalino-Marxist lines under the leadership and tutelage of a trained Communist minority. Unfortunately, this criticism cannot be regarded, from a Western point of view, as constructive.

While the British have maintained the indirect principle for the most part, the French have gone rather farther in making the natives at least feel as though they played a rôle in modern administration. Following the Brazzaville Conference of 1944 —a stage in converting the French colonial empire in the *Union Française*—specific measures were taken in 1947 to increase the native participation,[12] a step that won the commendation of the Trusteeship Council. What the practical result will be is hardly clear as yet. Neither France nor the United Kingdom has granted the native any determining voice in government, but both have had to take account of rising native nationalism.

The most striking expression of such nationalism is the petition received in 1947 from the Ewe people of west Africa, whose historic domain overlaps the Gold Coast on the west and both British and French Togoland to the eastward. The petition seeking reunion of this broken territory is easily the Council's most significant so far. The Council having determined to entertain it delivered it to a joint Franco-British committee for study, with still uncertain results. Reports from the administering authorities indicate that the area is more nearly ready than east Africa for self-government but not very near.

[12] Described in detail in Trusteeship Council, *Official Records* (3d year, 4th session), pp. 49 *et seq.*

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The Council listened to the views of Mr. Sylvanus Olympio, an Ewe representative, and a visiting mission at the end of 1949 took particular note of the problem, reporting in February 1950, two years after the petition's submission, that something should be done soon. The report is thoughtful and detailed, but weak on recommendations; there is a tendency to fall back in traditional fashion on the administering authority as the best source of knowledge. The fate of the Ewes was still, therefore, under consideration in the summer of 1950.

A good summary of all points of view can be obtained from the discussion of the first United States report on the Pacific Islands in 1949. The United States administration having indicated its intention, not yet realized, of bringing the eight dissimilar and not wholly congenial native elements of the territory into closer contact with political affairs, the Soviet representative objected as usual to the report as disingenuous and disregardful of true democracy. The French representative, M. Laurentie, vigorously protested, and supported the United States position with enthusiasm. The Belgian and United Kingdom members, M. Ryckmans and Sir Alan Burns, while commending the report in general, felt that the United States was moving if anything a little too fast. A more sweeping range of attitudes can hardly be imagined.

Yet amid these viewpoints the fact remains that no one has discovered a political solution that is both democratic and immediately practical. The native cannot intelligently relate his own affairs to the world in general while he remains in a backward community and cannot leave that community without breaking ties with his own people. Plainly the only solution must lie through literacy and education, both general and political, for the whole community—there is no other visible alternative to a minority domination, be it archaistic or Communist. The school then is indispensable to a tolerable native future.

And how much remains to be done here! Every report bears evidence of the low estate of even primary education, and every hearing evinces the importance of improving it. It is hardly necessary to dwell on the obstacles in the form of cost, and difficulties of teacher training, but something may well be said

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of a unique and fundamental obstacle—the question of the language of instruction. The Council has given much thought to this.[13] The French, wherever possible, use French. In other territories the policy has not been stable, but there is a tendency to use the vernacular. Whatever one does, something is lost. Use of vernaculars is easier, makes employment of native teachers more practical, and keeps children in touch with familiar things, avoiding the danger that they will become dissociated from their own people. On the other hand it delays their crossing into the larger world, where European languages are used, and subjects above the elementary level simply cannot be taught in the limited and localized vocabularies of the tribal dialects. The basic question is where in the educational ladder the transition can best be effected. The Mexicans have pointed out that Mexico itself faces the problem of a large minority that speaks no Spanish and lives in a primitive world; in that country it has been found expedient to begin instruction in the Indian languages and to carry on thus to the point where the child's interest is caught and his concern for larger affairs aroused. In the upper schools and universities, instruction is of course in Spanish. The British in east Africa have considered the possibility of using Swahili in the grade schools. This trade language, introduced from Zanzibar by the Arabs, is widely understood in the region and bears a good deal of resemblance to the Bantu dialects of Ruanda-Urundi and most though not all of Tanganyika. This solution, of a common native tongue, is not possible in west Africa or New Guinea, regions which are notable for the extreme diversity and complexity of the indigenous languages. It seems likely that only the French solution will there be practical above the very lowest levels.

Discussion of other aspects of the educational situation has on the whole been less specific, and has taken its cue from a General Assembly resolution of 1948 calling for the intensification of efforts and the expansion of both schools and teacher-training facilities, with the creation—if possible—of a general African University by 1952. Following this mandate, Dr. Liu Chieh proposed a special committee to study the problem and

[13] See *Official Records* (3d year, 4th session), pp. 210 *et seq.*, and pp. 568-569.

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present its finding to the Council. The United States, Mexico and Costa Rica supported this proposal, but it fell through, the European trustee Powers favoring it in principle, but regarding it as premature. Accordingly nothing has been done but to transmit general recommendations to the administering authorities. Action on the establishment of a university has been deferred, and the approximate direction of the wind can be guessed from the unwillingness of the French to contemplate any such thing, pointing out that students from their territories prefer the advantages of a university in France to the prospect of segregation in a native one. One can at this point only hope for continued advancement where there has unmistakably been at least some.

Conflicts of National and International Interests

It remains to consider certain political problems which raise the possibility of friction between the administrating Power's interest and that of the trusteeship ideal. These include foreign settlement of the territories, strategic defense considerations, and the tangled question of administrative unions. All, naturally, are interrelated.

Foreign immigration has not yet become very important in the trust territories, perhaps because there is little in most of them to excite the interest of the foreign settler. Potentially it is most significant in Tanganyika, where a certain number of Indians have settled in recent years as they have in Kenya and South Africa. In the latter regions the matter has been a source of diplomatic concern to India for some time and was the substance of a complaint advanced in the Security Council, but in Tanganyika, where it has taken place on a much smaller scale, the treatment of immigrants has stirred only incidental interest and no important activity in the Trusteeship Council.

The problem of Japanese settlers in the Pacific Islands was solved quite summarily and without protest from Japan, which has been in no position to make any. The United States authority just shipped them all home. The United Kingdom has a rather similar situation in east Africa, where a certain number of German nationals have been residing, some of them since

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before the First World War. Under the mandate system these people were not only tolerated but after 1930 even encouraged to suppose that the territory would presently be returned to Germany. This attitude vanished with the Second World War and the not surprising discovery that some of the Germans constituted a dangerous and disloyal element, and in consequence it was decided to screen these cases and restore the undesirables to the fatherland. No one denied that this would constitute a hardship on those transported. The very first session of the Council was presented with a flood of petitions from them. The Council, however, desired only to be satisfied that all cases would be carefully sifted and that none but persons with a criminal or unreliable record would be deported, so that honest citizens and especially refugees from Hitlerism would be protected and fairly treated. It developed that several of the petitioners fell into these categories and the United Kingdom promised to see that no injustice was done. But to those Germans who, having backed the Fuehrer and lost, now sought to forswear their past and mend their ways, no mercy was shown.[14]

The bearing of the settlement question on national security is thus clear. The Council has also given some attention to the positive aspect of this matter. It put aside from the outset the conception that these territories existed apart from the world of politics and should not be fortified, and so the question of how far fortification may be consistent with the public good is bound to come up. So far it remains largely potential, though squarely raised in the Pacific Islands, which stand upon a special basis as a designated security area. The discussion of this point suggests that if anything the United States has leaned backward to avoid infringing the premises of trusteeship, and this assumption is borne out by the administering authority's statement of July 1949 that the islands would be transferred from naval to civilian control, a promise which was made a definite policy a year later.[15]

[14] See especially *Official Records* (1st year, 1st session), pp. 515 *et seq.*, and the remarks of M. Garreau on pp. 539-540. The wounds of war are nowhere more sharply shown than in some of the remarks—reported verbatim—passed at this first session.

[15] See *New York Times*, June 24, 1950 and subsequent dates.

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The propriety of permitting an administrative union between a trust territory and a neighboring colonial possession is, on the contrary, a current and persistent issue, and indeed is one inherited from the mandate system. It is rightly described as the hardest political question the Council has presently to face, for the answer affects the possibility and the timing of future territorial independence, regardless of whether such a union is allowed or not.[16] The basic elements of the problem are clear. If no such union is tolerated, at least where geographic and cultural boundaries transcend the political, and that means every African territory and New Guinea, an artificial severance is perpetuated, to the accompaniment of administrative duplication and inefficiency. But if unification is permitted, the trust territory and its special status tend to be swallowed up in a nation's own colonial system—it is a broader form of the same absorptive danger that is run when fortification is permitted in the interest of security. As might be expected, the general attitude of the Council is unfavorable to such unions, or at least cautious with respect to them, subject to the realization that both effective government and future development call for efficient administration.

Both basic attitude and qualification are well shown by the discussion of the United Kingdom proposal for an east African union in 1948.[17] It is the desire of the United Kingdom to integrate the administration of Kenya, Uganda and Tanganyika under a common supervision which seems to call for a higher degree of unity than that contemplated by the Hilton Young scheme of the 1930's, which in its day was deprecated by the Mandates Commission as going too far. Mr. Sayre, seeking to reach a satisfactory compromise, has suggested the following criteria for an acceptable administrative union: the interests

[16] Liu Chieh, "Toward Self-government or Independence", *United Nations Bulletin*, vol. V (September 1, 1948), p. 675.

[17] Trusteeship Council, *Official Records* (2d year, 3d session), pp. 132, 138, 282. See also, *ibid.*, p. 260 on possible union of Ruanda-Urundi with the Congo, and p. 392 on that of New Guinea with Papua which produced even stronger objections than the African proposals, but to little purpose for want of knowledge. The Soviet Union appears as the leading objector but it is evident that other consciences are not clear.

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of the inhabitants shall be paramount, the status and identity of the trust territory shall not be changed, and separate statistics shall be kept for the purpose of report to the Trusteeship Council. One notes, however, that even these reasonable and very general principles have not escaped criticism in the United Kingdom, where sentiment appears very sensitive to anything like interference in colonial affairs.[18]

The visiting mission to east Africa has reported on this project in detail. The real objection to the plan seems to be the fear of the natives that white settlers in Kenya will come to dominate the local situation, that the proposed maintenance of political separation may not last, and that when the basic conditions for Tanganyika independence are fulfilled, it may prove impossible to unscramble the political egg. The reply of the administrative authority is reassuring though there is a faint quality of protesting too much about it. That the white supremacy issue is really crucial is further suggested by the fact that a partial union of administrative services between British Cameroons and Nigeria, and between Biritish Togoland and the Gold Coast, regions where this issue does not arise, did not stir up anywhere near so much discussion and apprehension. The Fourth Committee reviewed the whole question in October 1949 but did no more than deprecate the general principle of administrative unions and recommend that the seat of the trust administration remain always in the trust territory.

Conclusion

Union or no union, it is plain that the Council will not tolerate the loss of identity by lands under trusteeship. Independence will remain the ideal, though no one ventures to set a terminal date for any one of the trust agreements. The possibility of that ideal's disappearing has prompted a series of such suggestions as the flying of the United Nations flag, the maintenance of separate administrative entities, the reporting of steps designed to increase local self-government, and, most significant of all, the Fourth Committee's proposal that each authority sub-

[18] Annette B. Fox, "United Nations and Colonial Development", *International Organization*, vol. IV, p. 210.

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mit plans within a year as to how it proposed to advance the territory toward independence (October 1949).

It seems equally significant that the Powers need a little needling of this sort. The colonial Powers spoke strongly against this last proposal in the Assembly, none more so than the United States, alleging that the Charter did not require this and that it might do more harm than good. The authority, it was said, would take refuge in generalities, to the detriment of specific plans it might otherwise have executed.[19] The United Kingdom representative complained of the Assembly's tendency to indulge in "back seat driving". The resolution nevertheless passed by a vote of 24 to 14, with 7 abstentions, and it remains to be seen what the administering authorities will make of it.

This final episode casts a certain light on current ambiguities in the rôle of the Trusteeship Council. It is certainly not the tool of the administrative Powers, but neither is it the clear and unmistakable voice of a world community, and it does not go nearly as far as the Assembly in demanding progress toward the goal of self-rule. It is ready and even eager to assume supervision of the difficult technical task of modernizing and educating these backward areas—but it is not a body of experts, does not pretend to be, and lacks facilities for discharging an expert's job. We see here an international body whose function and purpose are not yet fully defined, even within the limited sphere granted for its operation. The future of the Council and the degree of its usefulness will depend upon the further definition of these matters.

SHERMAN S. HAYDEN

CLARK UNIVERSITY

[19] *United Nations Bulletin*, vol. VII (November 1, 1949), pp. 528-537.

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THE STRUGGLE FOR LAND AND THE "IRREPRESSIBLE CONFLICT"

THE Kansas Struggle, generally regarded as the opening skirmish of a war over slavery, as appropriately may be considered as a struggle for land in which opposing groups sought to control the process of land distribution in the hope of acquiring valuable or strategically important locations for themselves. In this contest the power of the national administration was thrown on the side of the territorial officials, "border ruffian" squatters who were actually nonresidents, St. Louis capitalists, and a combination of Eastern and Southern speculator-politicians. Opposed to these favored interests were the actual squatter settlers, settler-speculators, and antislavery inclined land monopolists from the East and Middle West. The fight was over claims, the location of towns, county seats, the territorial capital, land offices and railroad routes and even more over the Indian Trust lands which were not subject to disposal under the general land legislation. The jayhawking and bushwacking in which Kansas indulged so generally appear in the light of this analysis less a bit of comic opera and more a part of the long and still continuing battle between the little fellows and the big.

The struggle for land in Kansas was only part of a broader but equally bitter conflict: the fight between the Southern interests, call them slavery interests if you will, who wanted the public lands sold to produce the greatest possible revenue, and the Western settlers and those who planned to go west who maintained that the labor and capital required to make farms on the frontier were so heavy and the results so beneficial to the country that the government should give them the land. Step by step the settler interests had wrung from the die-hard conservatives a series of victories that lowered the price of government land and eased the path to ownership. In the middle fifties Westerners, while not satisfied with the government's generally benevolent policy, could feel that they were making

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steady progress and that their final objective—free homesteads —would soon be won.

The high tide of Western success in liberalizing the land laws began to ebb in 1857 at the time the big movement of population into the prairies was under way and just as these settlers were finding the costs of farm making were unexpectedly heavy.[1] Doubtless this increased cost of farm making impelled the West to redouble its efforts to secure the ultimate goal in land reform, free homesteads, an end of speculative purchasing, and cession to the states. But increasing Southern insistence upon using the land for income delayed reform for four years. Perhaps the first indication of the changing attitude of the Democratic party on the land question is to be seen in 1857 when, the government having an overflowing treasury resulting from large customs collections and booming land sales, Congress proceeded to lower the tariff instead of reducing the price of land.

There followed the Panic of 1857 which was unrelated to the reduction of the tariff and was accompanied by falling prices, contraction of credit, unemployment, decline of exports and imports, a shrinking demand for Western grain, and widespread economic stagnation. The first modern panic[2] produced much suffering among large numbers of unemployed; it also produced a desperate situation for Western farmers who had optimistically bought land at high prices with costly credit and who, failing a market for their grain, could not meet their obligations. Squatters on unoffered public land prayed that their claims would not be brought into market until the storm had blown over.

Like a later Republican president in a similar crisis, Buchanan believed the powers of the federal government too weak to prevent the economic castastrophe or to correct its worst features. Rather than recommend action to alleviate suffering he urged that no new public works be undertaken, that Congress be sparing in making appropriations, that nothing be done to

[1] Clarence H. Danhof, "Farm-Making Costs and the 'Safety Valve': 1850-1860", *Journal of Political Economy* (June 1941), vol. 49, pp. 317 *et seq.*

[2] So pictured by George W. Van Vleck in *The Panic of 1857* (New York, 1943).

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interfere with the sale of public lands at a fair price to the government, and that the tariff be adjusted upward for both revenue and protective purposes.[3] Had he stopped there he would not have done anything that most timid and conservatively minded statesmen of the time would not have favored. Unfortunately, the "Sage of Wheatland" was finding it necessary to do the bidding of the conservative Southern planters who were embittered by the turn of events in Kansas, alarmed at the rapid growth of the West and the threat of new free states coming into the Union, and anxious to raise more revenue from the public lands in order to make unnecessary an upward revision of the tariff. All that was necessary to strike a damaging blow at free Kansas, to delay Western growth and the admission of new free states, and at the same time to raise more revenue and provide a valuable opportunity for the speculator friends of the President and his henchmen was to bring the public lands upon the market as rapidly as the machinery of the General Land Office permitted. This would, in turn, force squatters to find the money with which to purchase their claims before the auction sale or suffer the loss of their improvements to some absentee speculator looking for bargains. It would also permit large-scale speculative purchasing against which the increasingly conservative leadership made no effective protest. But it would also mean a break with—a sharp reversal of—government policy toward Western settlers.

"The Old Public Functionary", as Buchanan's Western enemies were beginning to call him, was surrounded by a horde of hungry cormorants in the form of politicians who were seeking opportunities to make money in speculative enterprises which might be benefited through his aid. Furthermore, the President was under heavy obligations to William W. Corcoran, the "angel" of the Democratic party who was reputed to have expended between $10,000 and $20,000 in its behalf in the campaign of 1856.[4] For years Corcoran had carried and was

[3] James D. Richardson, *Messages and Papers of the Presidents, 1789-1902* (1904), vol. V, pp. 440, 520-521, 573 and *passim*.

[4] *New York Tribune*, Feb. 12, 1859. In his *Disruption of American Democracy* (New York, 1948), p. 46 and *passim*, Roy Nichols has shown the part played by Corcoran in the campaign of 1856 but mentions only one contribution of $1,000.

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still carrying in 1857-60 large business ventures, mostly in Western real estate, for prominent members of the Democratic party, including Robert J. Walker, Amos Kendall, R. M. T. Hunter, Stephen A. Douglas, Henry M. Rice, Jesse D. Bright, William A. Richardson, George W. Jones, Graham Fitch, John M. Forney, and John C. Breckinridge, the profits of which had been large.[5] In return Corcoran had been granted a series of highly valuable favors which had made him and his partners Elisha and George Riggs the most successful bankers and brokers outside New York and Philadelphia. In 1859 Corcoran placed Jacob Thompson, Secretary of the Interior, and Robert W. Johnson, Senator from Arkansas, under heavy obligations to him by loaning them in excess of $30,000 for the purchase of a large plantation on the Arkansas River.[6]

By ordering the Western lands into the market the Democrats could repay Corcoran for his generosity to the party and at the same time could provide many of its leaders with a splendid opportunity for investing at high interest rates. Corcoran, Riggs, August Belmont, John Slidell, W. R. W. Cobb, Eli Shorter, John C. Breckinridge and Robert W. Johnson did not let the opportunity pass.

After the passage of the general Preemption Act of 1841 the attitude of the government toward Western settlers had grown increasingly benevolent. It had become the practice, though not required by law, for the General Land Office to survey great tracts far out on the frontier and to delay advertising them at public auction for years. During that time squatters could settle upon them, erect a simple home and make such improvements as their means permitted. In effect they had the free use of the public land for a time, during which they could raise a number of crops and perhaps accumulate enough cash to buy their claims.

[5] There are many letters in the Corcoran and Riggs manuscripts in the Library of Congress relating to the promotion of Superior, Wisconsin, and numerous land speculations in Iowa, Illinois, Wisconsin and elsewhere for which Corcoran provided all the capital "on loan" and the others shared in the profits. Elisha Riggs at the same time was financing a number of large land deals for John Slidell.

[6] See copy of note of Jacob Thompson, April 14, 1859, to W. W. Corcoran and George W. Riggs and other correspondence relating to this loan as late as 1870 in the Corcoran Manuscripts, Library of Congress.

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This period of grace given the squatters was so well established by 1858 that it was publicly declared as a policy by the Commissioner of the General Land Office, a Hoosier Democrat, in these words:

> In regard to the new lands in and near the valley of the Mississippi, the progress of actual settlement has been so rapid under the preemption system, and the propriety of dealing with this class of our citizens in the most liberal spirit so obvious, that it has not been deemed advisable to precipitate public sale of these lands. . . . it is believed to be the true policy of the government to secure the public lands to actual settlers thereon, and withhold them, as far as practicable, from speculators.[7]

For the first time in many years, no lands were advertised for public sale in 1856 and but little over a million acres were advertised in 1857. True, neither free homestead nor price reduction for newly surveyed land had yet been gained by the West, but this period of grace, especially if it came in good times, gave the squatters an opportunity to prove up and buy their claims. Some of the protection and preferential treatment which the West desired for the actual settler was thus indirectly provided for him.

In his annual message to Congress in December 1857, Buchanan seemed to countenance this policy, saying: "It ought ever to be our cardinal policy to reserve the public lands as much as may be for actual settlers, and this at moderate prices."[8] But in this, and in his slap at speculators who acquired large tracts and held them at high prices, he was merely recapitulating the old Jacksonian position without conviction, for he recommended no action that would effectively protect settlers and curb speculators.

The end of the benevolent treatment of squatters coincided with the displacement of Robert McClelland of Michigan, Secretary of the Interior, by Jacob Thompson who has been characterized by Roy Nichols as "relentless", "vindictive", "am-

[7] *House Executive Documents*, 34 Cong., 3 Sess., 1856-57, vol. 1, part 1, p. 190.

[8] Richardson, *op. cit.*, vol. V, p. 460.

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bitious", "shrewdly calculating", a Mississippian and Southerner before he was an American.[9] Hendricks clung to his position as Commissioner of the General Land Office but reflected Western opinion in a diminishing degree. It was Thompson who made the fatuous statement in November 1860 that there was nothing wrong with the public land system, "The system of surveys is perfect, the price is moderate, and the settler is secured in his improvements."[10] Free grants were not to be desired, the period of grace should be limited to two years no matter how adverse economic conditions were, and no restrictions should be placed on large-scale buying.

Buchanan, Thompson and Hendricks ordered into the market 46,422,583 acres in 1858, 1859 and 1860 which constituted a greater volume than had been brought to auction sale in any comparable period. Since there already were offered and available for sale 80,000,000 acres of public land it could not be maintained that there was any need or demand for bringing this additional acreage into the market.[11] By ordering a part of these lands into the market in 1858 Thompson estimated that the government income from sales would be $5,000,000 for that year alone. As most newly offered land would be entered with soldiers' bounty land warrants, this sum could be secured only by large sales of previously offered land at graduated prices and very extensive warrant entries for which fractional parts would be acquired at the $1.25 price. At a conservative estimate at least ten or twelve million acres would have to be entered to bring the $5,000,000 figure. This would represent between 62,000 and 75,000 quarter section tracts to be bought by squatters or speculators. The following table shows how far wrong Thompson was in calculating income from land sales:[12]

[9] *Op. cit.*, pp. 79-80.

[10] *Annual Report* of the Secretary of the Interior, in *Senate Documents*, 36 Cong., 2 Sess., 1860, no. 1, p. 30.

[11] Secretary of the Interior, *Annual Report*, 1858, *House Executive Documents*, 35 Cong., 2 Sess., vol. 2, part 1, pp. 75-76.

[12] Compiled from *Annual Reports*, Commissioner of the General Land Office, 1855-1861.

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TABLE SHOWING ACREAGE ENTERED AT THE PUBLIC LAND OFFICES WITH CASH AND BOUNTY WARRANTS

Year	*Acreage acquired with warrants*	*Acreage acquired with cash*	*Cash receipts*
1855	1,345,580	15,729,524	$11,485,384
1856	8,382,480	9,227,878	8,821,414
1857	6,283,920	4,124,744	3,471,522
1858	5,802,150	3,804,908	2,116,768
1859	2,941,700	3,961,581	1,628,187
1860	2,782,780	3,461,203	1,843,630
1861	2,017,440	1,465,603	884,887

No better critic of public land policy existed than Horace Greeley who questioned the whole basis of the sale feature and the high price the government exacted for raw, unimproved land. He argued that for every dollar the government received from sales the actual settlers had to pay in the form of usury, extra prices, sheriff's fees, and the cost of foreclosing, $2.50 or $3.00. To penalize the settler by maintaining a system that entailed all these costs was a monstrous crime, he held.[13]

The action of the administration in ordering an extensive acreage into the market was a sharp break with the policy of Pierce and McClelland who, in the previous three years of prosperity, had ordered only two and a half million acres to public sale. It caught the squatters in the depth of depression and, in Kansas in 1860, in the midst of drought and widespread crop failure. Lulled into a feeling of false security by the period of grace and the earlier assurance of Buchanan and Thompson, the settlers had come to think that "the land sales would be put off till the land was all in the hands of actual settlers."[14] Such funds as they had accumulated through the sale of surplus goods or labor on neighboring claims had been invested in house construction, fencing, breaking the prairie and seeding it, and buying livestock. Now that the claims on which they were established had been advertised for sale they had to pre-

[13] *New York Tribune*, Jan. 26, 30, Feb. 3, 1860.

[14] John Everett, Osawatomie, April 24, 1858, to his father in *Kansas Historical Quarterly* (August 1939), vol. VIII, p. 294.

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empt before the auction or run the risk of losing them to speculators looking for good buys in the way of improved land.

For many years squatters on the public domain who found themselves unprepared for the land sale had followed the practice of drawing up petitions urging the postponement of the auction. These petitions, filled with tales of hardships, Indian conflicts, sickness, drought, crop failures, low prices, lack of credit and high interest rates and of the virtues of the pioneers who were making new commonwealths, had poured into the General Land Office by the hundreds; Congressmen from Western districts, the press, the state and territorial legislatures, even some speculators and land officers added their support to the movement for postponement.[15] Cyrus Woodman, a land dealer and moneylender, on the other hand, wrote to the General Land Office in 1842 that the settler rarely saved money for the public sale until his land was actually proclaimed for sale and that, except for a small minority, they would always be ready to urge postponement.[16] So common had these petitions become that the officials of the General Land Office had become inured to them and frequently filed them away without granting the desired action. Now, in 1858-1860, when public sales were revived, the storm of petitions began again.

That the squatters in Kansas, Wisconsin, Iowa and Minnesota could not easily raise the necessary funds to buy their claims is clear. The destructive effects of the Panic of 1857 with its calamitous decline in prices of wheat and corn, the draining of

[15] In February 1857 when economic conditions were favorable in Nebraska the Omaha *Nebraskian* (Feb. 4, 1857) urged that the public lands should be ordered to sale on the ground that numerous claims were held by speculators, that many settlers never would be ready for the sale and that the chaotic land situation resulting from conflicting and overlapping claims would never be straightened until sales were held and titles passed to individuals. The Brownville *Advertiser* (Jan. 29, 1857), on the other hand, was "bitterly opposed" to holding the sales and urged that they be postponed for ten years. The *Advertiser* (July 23, 1857, Feb. 18, May 27, 1858) continued to urge postponement, maintaining that the pressure for sales came from speculators and that violence would ensue if they were held. The *Nebraskian* (May 19, Sept. 8, 1858) published settlers' denunciations of sales but continued to support them.

[16] Cyrus Woodman, Stephenson County, Illinois, August 7, 1842, to Commissioner of the General Land Office, National Archives.

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funds to the East, and the poor crops combined to make the West the most depressed part of the United States, and within the West the territories of Kansas and Nebraska were the areas most seriously affected.[17] The West's natural and persistent opposition to the auction sale, now aggravated by the economic plight into which the area had fallen, induced it to make a concerted drive to secure postponement of sales and the adoption of a free homestead measure.

A number of postponements were made in 1858 and 1859 because of poor crops, sickness, floods, and "the scarcity of money [that] was everywhere prevalent and paralyzing" but the "exigencies of the public treasury demanded the free offering and sale of lands. . . ."[18] Sales announced in Kansas for July 1858 were postponed until October and for a second time to July 1859 but then were held.[19] Nebraska sales were postponed in 1858 and Minnesota sales were ordered put off in 1859 for a year. In Kansas and Nebraska where Democratic strength was waning so rapidly as not to justify any further concessions, sales were held in 1859. Furthermore, the people in these territories would not have the privilege of voting for president in 1860. But in Minnesota where the Democratic party was somewhat stronger and where it was felt aid should be given to a speculator friend of Buchanan—Henry M. Rice—sales were not to be held until 1860.[20] In the words of the pompous Jacob Thompson, who blandly ignored the plight of the squatters when it was convenient to do so: "These requests [for postponement] could not be acceded to without interrupting

[17] Van Vleck, *op. cit.*, pp. 83 *et seq.*, shows that the Middle West was the section most seriously affected by the Panic. I base my statement about Kansas and Nebraska on the understanding that a larger proportion of the people of those territories were debtors and on the desperate situation resulting from the drought of 1860.

[18] *Annual Report* of Jacob Thompson, Secretary of the Interior, for 1858 and 1859, in *House Ex. Doc.*, 35 Cong., 2 Sess., vol. 2, part 1, p. 75, and *Senate Ex. Doc.*, 36 Cong., 1 Sess., vol. 1, p. 93.

[19] White Cloud *Kansas Chief*, May 13, Sept. 23, 1858; Atchison *Freedom's Champion*, May 15, June 12, Sept. 25, 1858.

[20] *Lawrence Republican*, Sept. 2, 1858; *Elwood Free Press*, July 2, Oct. 1, 1859, quoting *Leavenworth State Register*.

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the harmonious operation of the laws constituting our land system, which requires the public lands to be brought into market from time to time, in proportion as surveyed lands are disposed of and other lands surveyed." [21]

Its protests and petitions denied, the West, more particularly Kansas, excoriated Buchanan, who was held responsible, as few presidents have been. "To gratify . . . his low spite against the actual settlers," said the White Cloud *Kansas Chief*, and "to give speculators an opportunity to buy up all the public lands" he ordered the sales.[22] The Emporia *Kansas News* said: "It does seem that the four years page of meanness, so nearly finished . . . is full enough of sin, without inflicting upon the squatters, the distress of this malicious attack upon their homes." [23] The Council Grove *Kansas Press* denounced "Old Buck", the "Old White House man", who was responsible that "Men are in rags, women and children barefooted, with starvation staring them in the face,—many of them could not raise ten dollars to save their souls from perdition." [24] Other papers spoke of Buchanan's "fiendish malignity",[25] his "iniquitous policy" that "has wreaked a terrible vengeance upon us for refusing the Lecompton swindle," [26] a "tyrannical, desperate, and revolutionary power . . . that stifles the voice of an indignant and suffering people." [27] The "Democracy of to-day is bastard", said the *Elwood Free Press*.[28] At the Osawatomie convention of the Republican party in May 1859, it was re-

[21] *Annual Report*, Secretary of the Interior, 1860, *Senate Ex. Doc.*, 36 Cong., 2 Sess., vol. 1, Doc. 1, p. 30.

[22] April 8, 1858.

[23] June 11, 1860. The *Freedom's Champion* (April 17, 1858) spoke of Buchanan as "This miserable, misguided man" whose "low and petty desire for revenge" induced him to order the public lands into market.

[24] Council Grove *Kansas Press*, July 30, 1860.

[25] Emporia *Kansas News*, May 19, June 7, 1860.

[26] *Lawrence Republican*, Oct. 4, 1859. Thomas H. Webb, who was active in the Emigrant Aid Company, spoke of the proposed sales as an attempt to harass further the free-state settlers. Thomas H. Webb, Boston, April 23, 1858, to Senator Henry Wilson, Letter Book C—Emigrant Aid Co. Mss., Kansas Historical Society.

[27] Atchison *Freedom's Champion*, July 14, 1860.

[28] June 25, July 2, August 27, 1859.

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solved " That the President, in ordering the public lands in this and other Territories to be sold during a season of universal depression, thus impoverishing thousands of our fellow-citizens, has been guilty of an act of injustice without parallel in the history of a free Government. . . ." [29]

The *Freedom's Champion* of Atchison summed up the situation in strong but effective language:

> Long since, while smarting under the rejection of the English bribe, and as a punishment to the people who dared denounce it, the vast body of lands comprised within the Delaware and Pawnee districts, and embracing the whole of the Eastern portion of Kansas, was by order of the President, sold at public auction, and greedily purchased by a horde of hungry speculators. Thousands of honest, hard-working farmers, who had invested their all in a few improvements, trusting to have an interim of some years between filing their declarations of settlement and the sale, and hoping in that time by industry, economy and perseverance to make enough to pay for their quarter-section, were by this act of persecution and oppression cheated out of their land, or forced to borrow money at high rates of interest, which will ultimately compel them to sell it, or keep them poor for years. And now, following this outrage rapidly, is another order of sale, embracing the whole of the arable lands in the Western and Southern portion of our State. What suffering, what privation, what years of toil this new act of villainy and bad faith will entail, only those who have lived a pioneer's life in the wild west can conceive. Thousands will be rendered homeless and houseless, and left to struggle on against a hard fate and the most bitter privations; and it will be long years before Kansas will recover from the effects of this act, while many of her citizens will never rise from it.[30]

The President was attempting, the West was convinced, to extract every possible dollar from land sales; furthermore, he was indifferent to, if not motivated by, the fact that in forcing land on the market he was playing into the hands of financiers and speculators who could take advantage of the Western situa-

[29] Daniel W. Wilder, *Annals of Kansas* (Topeka, 1875), p. 203.

[30] June 23, 1860.

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tion to make large profits. Nor, thought the West, did he care that forcing land upon the market could have only evil results; settlers who saved their claims would henceforth stagger under a mountain of debt and those claims which were not saved would become part of a large speculative holding—a speculator's desert—which would long retard settlement, immigration and community development. The slave power and Buchanan, its tool, must be fought as enemies of the West with every weapon. Said Preston B. Plumb's Emporia *Kansas News:* "We are at war with Slavery because that institution crushes labor and degrades industry." The policy of selling land was "injurious" to the West, the *News* declared, by permitting large-scale engrossment and forcing settlers to go to the loan sharks; land grants to railroads and sales to speculators should stop and a free homestead measure should be adopted.[31] Spurning the administration, the West appealed to Congress to assume control of land policy by halting all land sales and providing free homesteads.

The anguish of the Kansas Democrats at the conduct of the administration was most acute. The land-reform movement had been one of their principal issues and greatest sources of strength on the frontier. None but thorough administration men—and they were mostly confined to appointed officers—could afford to defend Buchanan's position on land sales. In the Democratic territorial convention in Leavenworth, Kansas, in November 1858, the party "most respectfully but urgently" took issue with Buchanan by asking that all public lands be withdrawn from the market for three years during which time no sales should be permitted and that preëmptors be permitted to buy their land for the cost of survey which would be less than ten cents an acre. At Tecumseh, in May 1859, another Democratic convention urged that sales of public land be postponed for at least a year and that a free homestead be given to every actual settler on the public lands.[32] Even proslavery democratic organs such as the *Topeka Tribune* found it necessary to deviate from the party line by commending a free

[31] June 6, 1857.

[32] Wilder, *op. cit.*, pp. 191, 200.

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homestead measure which, it said, would end the ceaseless agitation over slavery.[33] They accused the Republicans of stealing their political thunder.[34]

At a nonpartisan railroad convention called to meet in Topeka in October 1860 to urge that land grants be given to aid in the construction of railroads, local Democratic officialdom had to eschew the Buchanan and Southern position on land questions. Not only did they favor land grants which the President had declared unconstitutional but they were forced by circumstances to support unanimously a resolution that "without distinction of political opinions" urged the postponement of sales for an additional year. That Samuel Medary, Buchanan's final appointment as territorial governor of Kansas, B. F. Stringfellow, P. T. Abell and Wilson Shannon joined in supporting this resolution shows how embarrassing the position of the national Democratic leaders was to the local following.[35]

Elsewhere in the newly settled portions of the West the same vigorous opposition to the land sales and the same embarrassment to the Democratic leaders are seen. Minnesota officials were "unanimously" opposed to the public sales which, if held, were certain to be "oppressive to the actual settlers." The latter had been on the land only two or three years, had invested all their resources and energy in making improvements and now, in a period of acute distress, had no money, no banks, no currency with which to safeguard their equity. The sales would "ruin thousands of poor men." Buchanan's "political blindness" assured that "Democracy will be irretrievably defeated in the October elections."[35a]

[33] March 17, 31, 1860.

[34] The *Kansas National Democrat* (March 22, 1860) unlike the *Topeka Tribune* expressed doubt concerning the constitutionality of free homesteads and maintained that they would be highly injurious to the railroad interests of the territory.

[35] *Freedom's Champion*, Oct. 27, 1860. It is worthy of note that Henry Barricklow who was loaning substantial sums to settlers to purchase their claims was a member of this convention.

[35a] Petition of George L. Becker *et al.*, July 19, 1859, and letter of Henry H. Sibley, Washington, D. C., Sept. 1, 1859, to Jacob Thompson, Sibley Mss., Minnesota Historical Society; *St. Paul Pioneer and Democrat*, Jan. 13, Feb. 10, 17, March 3, 10, August 4, 1859.

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The Democratic party, threatened with division, loss of the presidency and the attendant spoils, was trying to find common ground on which to stand and in its search let the land question drop. Neither the Breckinridge wing nor the Douglas wing of the party took a stand in behalf of cheap or free land in 1860. Advocates of land reform had then to turn to the Republican party for aid.

The move to strip from the President the power to order public land sales came to a head in the House of Representatives on May 22, 1860, when a bill was passed to prevent any but actual settlers from acquiring public land for ten years after it was surveyed and to permit settlers a full ten years in which to raise the funds necessary for the purchase of their claims.[36] Republican leaders, fully aware of the intensity of feeling in the West, had by now taken over the leadership on the land question previously held by the Democrats. Their bill would have given the squatters on the frontier from four to eight years further before they would have to complete the purchase of their claims. In the Senate, where administration support was strong, no action on this measure was taken but another bill loomed up that could not be so easily rejected.

This was the measure to provide for free homesteads. A strongly Republican House passed the measure but in the Senate the advocates of land reform were much weaker and were outmaneuvered by their opponents. Free grants were dropped entirely, but squatters on the public lands were given a two-year extension before the public land sales then announced would be held. In other words, the squatters were allowed two more years in which to raise funds for the purchase of their claims, and the price they had to pay was reduced to 62½ cents an acre. Heads of families who thereafter made homes

[36] *Cong. Globe*, 36 Cong., 1 Sess., 1860, vol. 3, pp. 2252-53. Bills to postpone or suspend land sales had been introduced by Grow, Seward and Johnson in the previous Congress. The Grow bill provided that the sales then advertised should be postponed until fifteen years had elapsed after they had been surveyed. *Cong. Globe*, 35 Cong., 1 Sess., vol. 1, pp. 135, 324, vol. 2, p. 1703; *Freedom's Champion*, June 12, 1858. Horace Greeley regarded the land question as so basic in 1859 and 1860 that he included in *The Tribune Almanac* for those years detailed analyses of the progress and failure of Congress in dealing with it.

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for themselves on the public land could buy their quarter section after five years of residence for 25 cents an acre.[37] To Senator James S. Green of Missouri, a proslavery leader and opponent of land reform, the Homestead bill was so "eviscerated" that it had become simply a measure to reduce the price of land and therefore he and other Southern spokesmen of public land states could support it. While Greeley and the land reformers thought the bill a "miserable makeshift" it did offer relief to the embattled squatters.[38]

Buchanan now dealt his final blow to the West by vetoing the Homestead bill which was distasteful to the Southern slaveowners if not to the Southerners in Congress from the newer states. In what is perhaps the most irrational, ill-conceived and amazingly inaccurate veto message that has emanated from an American president, Buchanan struck down the measure on the following grounds:

Donations of land are unconstitutional:
It discriminates against the first settlers who have paid $1.25 an acre for their land.
It does injustice to veterans whose land warrants will depreciate in value.
"It is a boon exclusively conferred upon the cultivators of the soil."
It would deprive the older states of their fair share of benefits from land sales.
It would enhance speculation in land.
It would discriminate in favor of alien immigrants.
It would give an advantage to existing preemptors as against future preemptors.
It would sharply reduce income from public lands.
It would impair or destroy the "present admirable land system."[39]

The bill was far from a perfect measure, but Buchanan's strictures are not directed at its weakness and his sophistries are apparent to any student of land policy.

[37] For analysis of the House and Senate bills and the final enactment see *Cong. Globe*, 36 Cong., 1 Sess., vol. 4, pp. 3178-79.

[38] *New York Tribune*, May 11, 1860.

[39] *Cong. Globe*, 36 Cong., 1 Sess., vol. 4, pp. 3263-64.

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If Kansas, Nebraska, Iowa, Minnesota and Wisconsin, where then were living most of the settlers on the public lands, were embittered by Buchanan's action in ordering their claims into market and refusing to postpone sales, they were infuriated by the President's veto of the Homestead bill. To be sure there was strong feeling against the veto elsewhere in the North, but it was natural that the squatters on the public lands should have the most intense feelings because their homes were in jeopardy; the veto meant the end of their hopes. With the exception of 860,000 acres of Indian Trust lands there had been no public sales in Kansas or Nebraska and most of the residents of these territories were squatters. Forced sales would permit large-scale purchasing which no Western community wanted. Speculators, " land sharks, counter-jumpers, and those who are too young to leave mama " were warned not to come west to buy claims since they would " be taxed so steeply and . . . harassed so vigorously " that they would " gladly enough dispose of them as readily as they would drop hot potatoes." [40] Now, driven to greater violence and disregard of law by their conviction that Buchanan as the representative of the slave power was using his authority to strike at and destroy free states, they advocated mass action to prevent sales.[41] The *Freedom's Champion* said: " This act of oppression and disregard of the interests of the people would . . . sink the administration

[40] *Neosho Valley Register,* Burlington, Kansas, Jan. 10, Feb. 21, 1860.

[41] From the first announcement of sales of Indian Trust lands in Kansas in 1856 the squatters had organized their associations to protect claimants in their improvements and to provide a means of registering conveyances of property. These associations had effectively prevented competitive bidding by outsiders at the public auctions but had themselves become subject to abuses and deeply involved in the conflict between the opposing forces in the Kansas struggle. When the sales of public lands were announced in 1858 squatters' associations immediately called meetings at which Buchanan was roundly denounced, the settlers were urged not to borrow from loan sharks to buy their claims, and outside buyers were threatened with drastic action if they attempted to acquire any land claims by squatters without their consent. *Freedom's Champion,* April 3, May 8, 1858; White Cloud *Kansas Chief,* August 16, 1860. The settlers' association could protect claim owners to the date of the public auction or in fact through the auction but beyond that it was powerless. Thereafter the land could be acquired at " private entry " in a transaction which could not easily be hidden but which was not done in the open with a crowd to witness. Intimidation was rarely attempted after the auction was over.

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of James Buchanan in infamy as long as it will be remembered." [42] It would have been a bold man who would not cringe before the ferocity and intensity of feeling which the squatters expressed toward the President, his party, and the slave system on which responsibility was placed for the veto.

Kansans had successfully fought the efforts of the slave power working through the Pierce-Buchanan administrations to make their territory a slave state. They had endured the corruption of the carpetbag administrators sent in from the older states to fill territorial positions; they had struck back at the pillaging of the "border ruffians" and in turn had done considerable bushwacking of their own; they had stubbornly insisted on admission to the Union as a free state and were now about to win that fight.[43] Though Kansas succeeded in that struggle, it lost the other. It failed to gain ownership of land for its settlers without a mountain of debt.

The land sales were held in 1859, 1860 and 1861. Hard times, the drought of 1860, the difficulty of selling crops if there was any surplus, and the flow of specie to the East had stripped the West of the means of buying the land. Since the settler's claim could not be mortgaged until the patent had been issued the settler could not borrow on mortgage in advance of the sale as the farm owner could do. However, there had long since been perfected a procedure by which the necessary funds could be loaned and on fair security, provided the squatters were willing to pay usurious interest. The squatters would make an agreement with an Eastern moneylender in person or through his agent, according to which the latter would enter the land, take title in his name and give a bond binding himself to convey the property to the borrower at the end of a year if he had paid the principal and a premium of some $40, $60 or $80 plus legal interest. Clearly, the cost was high but in the absence of other means, and with the loss of their homes staring them in the face unless they followed this procedure,

[42] July 7, 14, 1860. See also the *Dubuque Herald*, June 27, 1860, as quoted in George M. Stephenson, *Political History of the Public Lands from 1840 to 1862* (Boston, 1917), p. 217.

[43] G. Raymond Gaeddert, *The Birth of Kansas* (Topeka, 1940), is excellent.

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there appeared no choice. In Kansas and Nebraska the lenders and their agents took advantage of the plight of the squatters by exacting from 5 to 10 per cent interest a month on this kind of transaction and on some loans the rates were said to be as high as 15 and 20 per cent a month.[44] Only under nearly ideal conditions could settlers meet such extreme interest demands. At the end of the year the contract might be extended with interest added at the maximum rate allowed by law —20 per cent in Kansas—but with continued financial difficulties on the frontier it was not easy for settlers to rid themselves of the heavy and increasing burden they had incurred. In many cases the contracts were forfeited and the settlers lost their equity in the claims.

To take advantage of the 40 to 120 per cent interest the West was offering for the use of capital and of the opportunities for speculating in land that was expected to appreciate rapidly in value, there descended upon the public land offices where the sales were announced scores of financiers and their agents— "hordes of speculators" said the *Freedom's Champion*—from the older states.[45] In Lecompton, Kansas, there were said to be from 15 to 20 land agents who were making loans for people from the states. Lawrence and all the other towns in the territory were similarly well supplied with dealers and agents.[46]

Advertisements appeared in the local papers announcing, for example, that Thaddeus H. Walker & Co., real estate brokers and dealers in land warrants, were prepared to locate warrants, make collections on land contracts, and through them arrange-

[44] I have described this "time entry" business as it was called in my "Southern Investments in Northern Lands before the Civil War", in *Journal of Southern History* (May 1939), vol. V, pp. 162 *et seq.* See also the letters of John Everett, written from Osawatomie, Kansas, 1855-1864, in *Kansas Historical Quarterly*, vol. 8, *passim*, for information on the high cost of credit. The Lawrence *Herald of Freedom* (quoted in the *LaCrosse National Democrat*, July 13, 1858) mentions a money lender who told of receiving 10-20 per cent per month for the use of money and who said that he "had been paid at the rate of 20, 25 and 30 per cent per month to discount notes."

[45] *Freedom's Champion*, June 23, 1860.

[46] D. S. McIntosh, Lecompton, K. T., April 25, 1859, to Cyrus Woodman, Woodman Mss., Wisconsin Historical Society.

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ments could be made for "lands entered on time."[47] With capital provided by friends and associates in Salem, New York, the home of Walker, this firm entered either for speculation or for settlers 81,000 acres in Iowa and Kansas in 1859 and 1860. Reuben H. Farnham advertised that he was prepared to enter 50,000 acres on time for actual settlers, much of the capital being provided by Patrick M. Henry of Washington.[48] Wilson Shannon and Robert S. Stevens, staunch Buchanan supporters and beneficiaries of federal patronage, announced they would enter land on time for preëmptors and in 1859 advertised 15,240 acres for sale.[49] Asaph Allen advertised that he would enter quarter sections with warrants for preëmptors—which at the current rate cost him 85 cents an acre—for a mortgage of $250 payable at the end of a year which would give him 84 per cent profit if we disregard the small fees.[50] Mitchell and Weer of Lecompton went so far as to promise 25 per cent interest to any person who would send them funds or warrants to loan to squatters.[51] James C. Ayer, famous for his "Cherry Pectoral" and "Ayer's Cathartic Pills", loaned extensively to squatters.

Charles Robinson, prominent free-state leader, and Thomas H. Webb, active in the Massachusetts Emigrant Aid Company, also were attracted by the high interest rates to enter the "time entry" business for settlers. Robinson wrote from Lawrence on September 14, 1857, that he could loan money on good security at 5 per cent per month or that he could purchase good claims and take half the land which with improvements is worth $5 to $10 per acre. For a 160-acre land warrant he could get a mortgage for $200 at 40 per cent. J. Lyman, to whom

[47] *The Conservative*, Leavenworth, July 18, 1861. Statistics of land entries were compiled from the land entry books in the National Archives in Washington and from the county deed records.

[48] Emporia *Kansas News*, June 12, 1858.

[49] Lecompton *Kansas National Democrat*, August 19, 1858, and Jan. 13, 1859.

[50] *Topeka Tribune*, May 26, 1859; *New York Tribune*, May 30, 1859.

[51] Lecompton *Kansas National Democrat*, Dec. 10, 1857.

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he wrote, was asked if he knew anyone who wished to invest in such opportunities.[52]

Prominent Democrats who came to Kansas, Nebraska, Minnesota, Iowa and Wisconsin to lend money to squatters or to acquire extensive holdings of land were William W. Corcoran, George W. Riggs, John Slidell, John C. Breckinridge, Williamson R. W. Cobb and Eli S. Shorter. Slidell alone had a half interest in 45,000 acres in Iowa and Wisconsin. So great was the investment of Southern capitalists at the Kansas land sales that Senator Jim Lane lamented in 1862, "We have in Kansas a larger proportion of rebel property than any other state in this Union." [53]

Proslavery leaders in Missouri had employed every effort to acquire and hold land for speculation in Kansas since its opening in 1854. They rushed across the line, took up claims on which they made a minimum of improvements, organized claim associations to protect their interests, elected by ballot stuffing a proslavery or "bogus" legislature to control affairs in concert with the proslavery governor and national administration and returned to Missouri. They kept the territory in turmoil for years by their efforts to retain their false claims and to maintain their fraudulent political control. Among these proslavery Missourians was one Colonel W. Broadus Thompson of St. Joseph, who was the leading spirit in the Squatter Association of the Whitehead District which resolved that "we will afford protection to no abolitionist. . . ." [54] Thompson's brother, M. Jeff. Thompson, an extensive land dealer of St. Joseph, in his *M. Jeff. Thompson's Real Estate Bulletin,* published in 1858, included a special section:

[52] Charles Robinson, Lawrence, Kansas, Sept. 14, 1857, to J. Lyman, Lawrence Mss., Kansas Historical Society; Thomas H. Webb, Boston, Sept. 15, 1858, to M. F. Conway, Emigrant Aid Company Mss., Kansas Historical Society; Cottonwood *Kansas Press,* May 30, 1859.

[53] I have given considerable attention to these southern investments in public lands in the period from 1857 to 1861 in my "Southern Investments in Northern Lands before the Civil War", *passim.*

[54] Martha B. Caldwell, "Records of the Squatter Association of Whitehead District, Doniphan County", *Kansas Historical Quarterly* (February 1944), vol. XIII, pp. 21, 23.

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Kansas and Nebraska Lands.

The President having ordered a Sale of Public Lands in Kansas in the month of July and in Nebraska in the month of September, there will be a large amount of valuable Lands thrown in the market, and splendid speculations will be made. I will select and purchase for clients either at the public sale for cash, or by locating warrants after the sale. Having surveyed a large portion of Kansas and Nebraska for Government, and having made a special examination of each and every piece of land, I will guarantee good selections.

* * * *

My charge will be 10 per cent., or $20 per Quarter Section, and I pay all fees and office expenses.

The following list of men who either made extensive loans on frontier mortgages or bought land in amounts ranging from 1,000 to 30,000 acres at the government sales in these depression years shows that people from all the older parts of the country were taking advantage of the forced sales and the plight of the settlers: [55]

Barricklow, Henry, Harrison Co., Ohio
Beach, George, Greene Co., N. Y.
Bemis, George F., Boston, Mass.
Brown, Edward S., Cumberland Co., Va.
Buford, Jefferson, Barbour Co., Ala.
Cabaniss, Septimus D., Madison Co., Ala.
Calloway, James, Wilkes Co., North Carolina
Easley, James S., Halifax Court House, Va.
Farnham, Reuben H., Batavia, N. Y.
Fitzgerald, John, Winnebago Co., Wisc.
Fullenwider, Eleazer, Montgomery Co., Ind.
Harris, William D., Topeka, Kansas
Henry, Patrick M., Washington, D. C.
Howard, Kirkbride, St. Joseph, Missouri

[55] One of the most vituperative and contentious of an extremely able group of journalists in frontier Kansas—Sol Miller—paid his respects to John P. Johnson, a leading loan-shark, who was called a "skinner", or "Hog Eye Johnson". Johnson befriended the squatters, entered their land on halves or loaned them $160 to enter their land, required a mortgage for $285 and ended the year by "getting the whole." White Cloud *Kansas Chief*, August 5, 1858.

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Hurley, William, Henrico Co., Va.
Hurley, Michael, Norfolk Co., Va.
Kutter, Gustavus, New York, N. Y.
McGee, Frye P., Lawrence, Kansas
Merrill, Ambrose, Hollowell, Me.
Pace, Jerman W., Pittsylvania Co., Va.
Pye, William R., St. Louis, Mo.
Reyburn, William S., Clark Co., Ohio
Richmond, Rollin, St. Louis, Mo.
Short, George W., Muhlenberg Co., Ky.
Smith, Columbus, Salisbury, Vt.
Streeter, James, Lawrence Co., Ala.
Tarr, John C., Brooke Co., Va.
Tifft, Solomon, Jackson, Mississippi
Walters, Singleton P., Madison Co., Ky.
Watkins, Isaac R., Charlotte Co., Va.[56]

Some 3,417 mortgages were made on "improved" claims in Kansas between the first sales of public land and the opening of the Civil War. Many were in default at the end of the first year when they were due and had to be extended with interest added. Foreclosures were not pressed at the time, for the land had little sales value, so depressed were conditions at the time. With the outbreak of war and the inflationary effect which government buying provided, conditions changed, there was more demand for land, and debtors who could not pay were foreclosed.

The veto of the Homestead bill, the forced sale of public lands, and the drought and resulting crop failure forced thousands to abandon their claims on which they had invested the labor of one, two and more years.[57] It was estimated that 30,000 people left Kansas and smaller numbers left Nebraska, western Iowa, and elsewhere in the public land area in 1860. Those who remained were saddled with heavy debts bearing crushing interest. Through subsequent foreclosures many were

[56] The persons found in this list and their mortgages and land purchases were secured from an analysis of the deed and mortgage records of all the Kansas counties in existence prior to 1861 and from the records of land entries in the National Archives.

[57] Emporia *Kansas News*, July 7, 1860.

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to lose their claims. Petitions were circulated in Kansas to ask the governor to call a special session of the legislature for the purpose of enacting a stay law to prevent foreclosures, but this was opposed by the *Fort Scott Democrat* on the ground that such a measure would only delay the inevitable and would bring on expensive litigation.[58] Other persons sought relief through the enactment of a usury law making the legal rate of interest 10 per cent and stipulating that all contracts calling for interest in excess of 20 per cent were illegal and that only the principal could be collected on them.[59] Litigation under this measure was to annoy creditors but could not effectively prevent the charging of fees and other costs that made real interest well above the legal limit. In Wisconsin a stay law was adopted in 1858 to postpone foreclosure proceedings for as much as twelve to eighteen months. The Menasha *Conservator* described this law as "beneficial", having "saved many an honest settler from being swept from his possessions by the mercenary and unprincipled."[60]

To raise money for payments for their land, settlers parted with much needed livestock, even the necessary horses and mules and perhaps a portion of their claims and denied themselves the necessary farm machinery. A Lyon County, Kansas, paper said in 1859 that there were but two reapers and mowers in the county, the cradle and scythe being commonly used. Several farmers, it was stated, had been on the point of buying reapers but, instead, had to use their funds for entering their land.[61] Large land holdings had been created through forced sales and foreclosures, and actual settlers could but watch the process by which their improvements enriched the owners of these extensive tracts. "Land monopoly" was no phantom in the newly developing West.

Small wonder that the residents were filled with consuming hate toward Buchanan, the Southern proslavery wing of the

[58] *Fort Scott Democrat*, August 18, 1860.

[59] *Freedom's Champion*, March 24, 1860.

[60] *LaCrosse National Democrat*, June 8, 15, 1858; Menasha *Conservator*, June 10, 1858, Jan. 29, 1859.

[61] Emporia *Kansas News*, June 25, 1859.

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Democratic party and Breckinridge, its candidate in 1860. While some of the Northern states gave impressive votes to Breckinridge, the new public land states—Michigan, Minnesota, Wisconsin and Iowa—gave him no more than one vote in 50.[62] Lincoln, whose party was promising to enact a true—not a sham—homestead measure, won these states with a clear majority, receiving 54 per cent of the total vote in Iowa, 56 per cent in Wisconsin, 57 per cent in Michigan and 60 per cent in Minnesota. Kansas which did not have an opportunity to vote for a president until 1864 then gave 79 per cent of its vote to Lincoln,[63] which was a much larger proportion than was given to the Republican candidate in any other state. For many years Kansas, Nebraska, Iowa, Minnesota, Wisconsin and Michigan were strongholds of the Republican party, and the people of these states were never permitted to forget, nor could they forget, that it was the GOP which had fathered the Homestead Act and that the land policy of the Democratic party had saddled the state with large speculative holdings and the settlers with a mountain of debt.

PAUL W. GATES

CORNELL UNIVERSITY

[62] *Tribune Almanac*, 1861 (New York, 1861), p. 64.

[63] *Ibid.*, 1865, p. 67.

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NEW LIGHT ON THE POLITICAL THOUGHT OF ROUSSEAU

IF ideas, unlike women in Periclean Athens, which are most talked of are most worthy of admiration, the ideas of few men occupy a higher place than those of Rousseau. One who has already said what he had to say about Rousseau [1] might be excused, if he refrained from saying the same thing over again. Even in treating of the most diverse subjects it is difficult, and perhaps not desirable, to escape from a settled way of thinking; but if the mind remains fundamentally the same, it can exercise itself on different problems, not because variety is necessarily a good thing, but because by constant repetition of the same motions it may become incapable of any others, and ultimately incapable of serious thought at all. The temptation to return to a subject, moreover, usually comes only in the form of a minor irritant, unlikely to produce more than a desultory intellectual scratching, and better left alone. On Rousseau, however, a major new contribution has now appeared, which forces a reconsideration of former ideas.

M. Robert Derathé's two books, *Le Rationalisme de J.-J. Rousseau* [2] and *Jean-Jacques Rousseau et la science politique de son temps*,[3] are original in their approach, and at the same time solid academic works in the best tradition of French scholarship. Every step in the argument is supported by ample citation and discussion of opposing points of view. A critic might say that M. Derathé covers the ground too slowly and cautiously, and with an unduly minute examination of every relevant text; but if this is an error, it is a pity that it is one not more frequently committed. M. Derathé's two books have the further virtue that they represent a sincere and successful attempt to comment on and clarify Rousseau's thought, rather than, as is possibly more common, to exhibit the commentator's own capacity for turning simple ideas into complex ones, and lucid ones into obscure ones.

Political thinkers of the past, who normally believed in the practical importance of their ideas, and wished to convert their contemporaries to their own beliefs, wrote to be understood. With a few exceptions they were masters of style. It has to be asked, indeed, why they need explaining at all. Can they not be left to say what they mean without the interposition of a commentator? The main objec-

[1] In Alfred Cobban, *Rousseau and the Modern State* (London, 1934).

[2] Paris, Presses Universitaires de France, 1948. 201 pp. 300 francs.

[3] Paris, Presses Universitaires de France, 1950. 463 pp. 1,000 francs.

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tion to this otherwise very reasonable question is that words change their meaning and that ideas do not exist in isolation but take on their particular significance from the world of thought to which they belong. Thus when Hobbes, for example, begins, "Nature, the Art whereby God hath made and governs the world," this simple and lucid phrase means something very different now from what it meant when Hobbes wrote it.

Rousseau is much nearer to us than Hobbes, but even he lived and wrote in a very different world of thought from ours. The first duty of the student of Rousseau's political thought, it seems to me, is to attempt to rediscover its original intention across the barrier interposed by the many and varying interpretations, often of a polemical character, which have obscured it, and to put it back in its eighteenth-century setting. I tried to do this for Rousseau by taking his writings in their entirety and interpreting them in the light of the ideas and institutions of his day, but without seeking for particular aid from an attempt to trace the sources of his thought. Much that is written about sources and influences is indeed too vague and speculative to have any value; and critics as acute as Beaulavon and Duguit have asserted that the question of the sources of Rousseau's thought has no real significance. M. Derathé challenges this view, and by a detailed examination of the relation of Rousseau to the school of Natural Law he has thrown important fresh light on Rousseau's own ideas.

It has been too easily concluded that the school of Natural Law can be dismissed more or less perfunctorily from the study of Rousseau on the ground that he rejected their ideas and built up his own system on new foundations. M. Derathé shows that this is not true, and that for the interpretation of Rousseau it is necessary to take into account the whole school of Natural Law, not only Hobbes and Locke, but also Grotius and Pufendorf, and their disciples, Burlamaqui and Barbeyrac. If Rousseau did not give the same answers as these writers, he asked the same questions and up to a point used the same language. His subject, like theirs, was *les principes du droit politique*, or *allgemeines Staatsrecht*. Their books, and not the constitutional law of the Genevan Republic, which he left so early and knew so little,[4] provided the intellectual climate in which his ideas grew.

[4] That the attempt to attribute Rousseau's political ideas to the influence of the constitution of Geneva was misplaced and misleading was demonstrated by J. S. Spink in *Jean-Jacques Rousseau et Genève* (Paris, 1934). I am not suggesting, of course, that the ideas of any political thinker are to be treated as though they were an abstract construction of the mind, reflecting in a timeless and spaceless void on

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Pufendorf and Grotius, like Hobbes, were absolutists. Grotius related the power of the sovereign over his subjects to that of the master over the slave, assimilated *imperium* to *dominium*, and equated sovereignty with the right of property; [5] Pufendorf, like Grotius, denied any right of resistance, however power might be abused; and if Hobbes failed to be a complete absolutist it was not for want of trying. Yet to say that these writers were the advocates of monarchical despotism and therefore cannot be regarded as the precursors of Rousseau is to make the same mistake as is often made by those who deny Rousseau's influence because it led in directions he himself would not have approved of, or alternately read back into Rousseau the ideas of his self-styled disciples. As M. Derathé points out, there are contrary trends in Pufendorf: he "remains an absolutist, but an illogical absolutist, whose conclusions contradict the principles which constitute the basis of his system." [6] Locke was to use the same ingredients—state of nature, Law of Nature, sovereignty of the people, social contract—in the construction of a very different political system. This is well known, but it is not so commonly recognized that even eighteenth-century writers who are in the strict tradition of the Natural Law jurists, as are Barbeyrac, Burlamaqui and Vattel, follow Locke in their conclusions rather than the absolutists.

Because Burlamaqui was a patient compiler of other people's ideas, who made little original contribution to political thought, and Barbeyrac the mere translator of Grotius and Pufendorf, it has been too easily concluded that they have no significance of their own in the history of political thinking. M. Derathé shows that, on the contrary, they represent an important development of the Natural Law school and provide the immediate intellectual background out of which Rousseau emerges. Unlike their predecessors, except Locke, both Barbeyrac and Burlamaqui oppose absolute monarchy and uphold the right of resistance. The most important new element in Burlamaqui's thought is his advocacy of the idea of limited sovereignty, balance of powers, fundamental law and the mixed constitution in which "aristocracy is

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the products of its own inner consciousness, uncontaminated by acquaintance with the sensual world. On the contrary all true political thinking is historically conditioned and framed toward practical ends. Among the conditions knowledge of which is necessary for its comprehension, not least in importance is its actual political environment. All that is meant here, therefore, is that the practices and problems of Genevan government do not in fact constitute the background of Rousseau's political thinking.

[5] *Rousseau et la science politique*, pp. 77, 258.

[6] *Ibid.*, p. 215.

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tempered by democracy ".[7] Barbeyrac, though he translated Pufendorf, undermined his absolutist conclusions by bringing the ideas of Locke into play against them in the notes to his translation. By denying the assimilation of sovereignty to a property right capable of alienation, he prepared the way for Rousseau's doctrine of the inalienability of sovereignty.[8] It is true that Rousseau rejected categorically the attempt to divide sovereignty, which was Burlamaqui's one distinctive contribution to political thought, and that, while he had undoubtedly studied Barbeyrac's notes,[9] he joined him with Grotius in a common condemnation. But the important point which emerges from M. Derathé's work is not a mere matter of the conjectural influence of one writer on another; it is the demonstration that in the eighteenth century the development of the school of Natural Law was leading straight away from the conclusions of Grotius, Hobbes and Pufendorf, and in the direction of Rousseau.

"The political thought of Rousseau", says M. Derathé, "issues out of his reflection on the juristic theories which were authoritative in his age."[10] The result is to put him back into his own century, and rescue him from the timeless metaphysical void in which he has too often been pictured as floating uneasily, like Mohammed's coffin, unable to find rest in either a philosopher's heaven or the mundane sphere of politics. Certainly, the *Contrat social* is the beginning of a new age in political thought: but it can equally well, and much better for the comprehension of Rousseau's ideas, be treated as the culmination of an old current of ideas, crowning, at one and the same time, "the struggle against royal absolutism, and enfranchisement from the traditional doctrine of the Catholic Church on the divine origin of civil authority."[11]

It is often said that Rousseau, however, merely destroys one ab-

[7] *Cf. Rousseau et la science politique,* pp. 287-90, 330-33. Burlamaqui's *Principes du droit politique,* which appeared in 1751, might have been influenced by the *Esprit des lois,* but the ideas mentioned above are mainly a theoretical expression of the actual constitution of Geneva under which he lived.

[8] *Rousseau et la science politique,* p. 260.

[9] Jean Morel, *Recherches sur les sources du Discours de l'inégalité* (Lausanne, 1940).

[10] *Rousseau et la science politique,* p. 51.

[11] *Ibid.,* p. 62. I am not attempting in this paper to follow M. Derathé's analysis through systematically. On such points as Rousseau's attitude toward the representative system, his distinction between sovereignty and government, his debt to classical models, especially Sparta and the Roman Republic, and his attack on the separation of powers, directed against the theory of Grotius and Pufendorf and not against that of Montesquieu, M. Derathé's interpretation agrees with my own.

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solutism to substitute another for it. Every critic has noted his insistence on the unitary nature of sovereignty, and its freedom from the bonds of constitutional law. M. Derathé attributes this to the direct influence of Hobbes, to whose basic ideas, he believes, Rousseau, after having condemned them ruthlessly earlier, now returns.[12] I do not feel convinced of this. Admittedly, the description just given of Rousseau's conception of sovereignty would also apply to that of Hobbes; but contrary to his usual practice M. Derathé here bases an attribution of influence on an apparent similarity, without providing specific proof of it. Before accepting this interpretation it is necessary to ask whether there is no other route by which Rousseau could have reached the same idea, and whether—given its setting in the whole nexus of his thought—it is in fact the same idea. On the first point, Rousseau's line of argument is quite plain. Sovereignty is indivisible because it is the expression of the general will. It could be divided only if that will could be divided, which by definition is impossible, for in that case it would no longer be the general will.[13] Hobbes's argument for the indivisibility of sovereignty is entirely different. It is that "if the essential rights of sovereignty . . . be taken away, the commonwealth is thereby dissolved"—"and this division is it, whereof it is said, *a kingdom* divided in itself cannot stand". Again, "What is it to divide the power of a commonwealth, but to dissolve it?"[14] Whereas Rousseau appeals to the nature of sovereignty, Hobbes depends on the result of dividing it. It is not too much to say that their arguments on this point nowhere meet. There is, moreover, a striking contrast between the rôle of the theory of sovereignty in the political thought of Hobbes and its functions in Rousseau. Hobbes is throughout concerned to emancipate the sovereign from control or limitation of any kind. "The sovereign power . . . is as great as possibly men can be imagined to make it."[15] The idea that an absolute power could be limited would have seemed to him sheer nonsense. Rousseau, on the other hand, who entitles a chapter "On the limits of the sovereign's power",[16] while he insists that the general will cannot be bound by a fundamental law or constitution, these being necessarily of its own creation, at the same time

[12] *Rousseau et la science politique*, pp. 111, 338-89, 345.

[13] *Du Contrat social*, liv. II, ch. ii. There is the further consideration that the general will is indivisible because it is a will. "As nature gives each man an absolute power over all his members, so the social compact gives to the political body an absolute power over all its members." *Ibid.*, ch. iv. This power is the *volonté* or will.

[14] *Leviathan*, ed. Oakeshott, pp. 118-19, 213, 219-20.

[15] *Ibid.*, p. 136.

[16] *Contrat social*, liv. II, ch. iv.

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maintains that it cannot go beyond the limits of "general conventions" and public utility.[17]

Can we then defend Rousseau against the accusation—for as such he would certainly have regarded it—of Hobbesism, only by reducing his thought to a meaningless contradiction? In asserting that the sovereignty of the general will was both absolute and limited, Rousseau may seem to us to be using the language of paradox; but for his contemporaries, as M. Derathé says, he was merely expressing a commonplace, which could equally well be found, for example, in Jurieu or in Burlamaqui.[18] One important restriction on sovereignty which they upheld is Natural Law itself. The view, which I shared with Vaughan and many others, that Rousseau rejected the idea of Natural Law, is shown by M. Derathé to be untenable.[19] Of course, so widely held an opinion is unlikely to have been entirely without foundation, and it is true that Rousseau objects to all existing conceptions of the Law of Nature. But if he held that there is no Law of Nature, how, M. Derathé asks, could Rousseau have provided a moral sanction for his social contract? He certainly assumes such a sanction, in the form of a prior law obliging men to keep their agreements.[20] We still have to ask how such an assumption is reconcilable with his description of the state of nature as a pre-moral state.

It is tempting to evade the problem by explaining away the state of nature, which, it might be said, is derived by Rousseau from current political thinking, but occupies no essential place in his thought. The state of nature and the social contract, it can be argued, are both formal ideas which he takes over from his predecessors merely to use

[17] *Ibid.*; and liv. IV, ch. viii. Rousseau's distinction between the sovereign and the government is also to be remembered.

[18] *Rousseau et la science politique*, p. 340. "An absolute power must not be confused with a power which is arbitrary, despotic and unlimited." Burlamaqui, *Principes du droit politique*, Première Partie, ch. viii, para. 17.

[19] *Rousseau et la science politique*, pp. 151, 155-60.

[20] *Rousseau et la science politique*, p. 160. M. Derathé identifies this obligation with Hobbes's third Law of Nature, "That men perform their covenants made" (*Leviathan*, p. 93); but here again Hobbes's argument is quite different from that of Rousseau. The keeping of covenants can only be described as a moral obligation in Hobbes by virtue of his nice perversion of language; for covenants, he says, are void unless there is a common power over the parties to compel their performance (p. 89). Fear is what holds men to their covenants (p. 92). "Justice, therefore, that is to say, keeping of covenants, is a rule of reason, by which we are forbidden to do anything destructive to our life; and consequently a law of nature" (p. 96). To say the least, this is a peculiar kind of moral obligation, and quite different from that of Rousseau.

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the one to cancel out the other; after which he arrives at the true starting point of his thought—"man is a political animal." The result is to restore political thinking to the plane on which the Greeks had placed it. This interpretation is, I think, not untrue, and it certainly explains neatly one of the reasons why Rousseau's political thought exercised such a great influence. But in the light of what M. Derathé says of the Natural Law jurists, it is clear that the ideas of the state of nature and the social contract were, even in the middle of the eighteenth century, far from being mere empty formulae, and that both ideas exercised a decisive influence over the development of Rousseau's thought.

The essential characteristic of Rousseau's state of nature is that in it man lives in isolation from his fellows. This assumption, M. Derathé argues, determines the subsequent development of Rousseau's theory.[21] It is necessary, however, to add the factor which distinguishes man from the animals, even in the state of nature, which is "*la faculté de se perfectionner*".[22] Though man in the state of nature is nonsocial, amoral, and makes no use of his reasoning powers, he possesses an undeveloped capacity for morality and reason, which is brought into action as a result of life in society.[23] It is necessary to ask, therefore, how and why man passes from the unsocial to the social state. To answer this question M. Derathé appeals to a passage from the *Essai sur l'origine des langues*, in which Rousseau maintains that men became associated together largely as a result of the physical accidents—floods, volcanic eruptions, earthquakes—which Providence employed to force them into social life for their mutual assistance.[24] This cataclysmic theory of the origin of society may well seem one of the weakest links in Rousseau's argument. The suggestion has been put forward above that his theory might be brought into closer conformity with modern thought by assuming that for him the state of nature was an abstract idea, which never had any positive reality; but to make this assumption would be to take Rousseau's thought out of its historical setting. It is difficult to deny that he believed a nonsocial state of nature to represent the primitive condition of the human race. When he said, "*écarter tous les faits*", it was not to this fact that he referred. Even if the state of nature is to be left behind for good and all in the moral and social development of man, the form under which he conceived it set a permanent mark on his political thought.

[21] *Rousseau et la science politique*, p. 134.

[22] *Le Rationalisme de Rousseau*, p. 9.

[23] *Ibid.*, p. 14.

[24] *Rousseau et la science politique*, pp. 178-79.

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It is reasonable, then, to interpret Rousseau's theory of the state of nature in the light of the ideas of the school of Natural Law from which he sprang, and not in terms of the romantic "back to nature" school which followed him. Although his state of nature was a state of happiness in which there was no knowledge of good or evil, and Rousseau did not feel confident that man had gained by changing this state for life in society, there was, he fully recognized, no possibility of a return to it. Once men had begun to live in society a psychological revolution had occurred which cut them off from the path back, as ineluctably as the angel with the flaming sword barred Adam and Eve from the road back to Eden. With the beginning of social life appear new problems and new passions of which man had been innocent before. Rousseau does not accept Hobbes's identification of the natural principle of self-preservation with a restless and unlimited pride. It is only after men have begun to live in society that the aggressive passions which lead to a state of war and mutual hostility appear, and natural pity or *bonté naturelle,* which had moved natural man in his rare and transient contacts with his fellows, ceases to be adequate to protect him from the consequences of his own passions. Their tyranny is now only to be conquered by the new force of *vertu,* which itself is made possible by the growth of the human reason. M. Derathé decisively rejects the common condemnation of Rousseau as an irrationalist, for whom human reason is inherently corrupt. Rousseau's law of nature is in fact the law of reason; innate in natural man, it develops, as his reason develops, with social life, outside which morality, reason, and therefore liberty are inconceivable.[25]

Critics who reject the superficial "back to nature" interpretation of Rousseau are apt to draw the conclusion, from the argument which has just been outlined, that Rousseau's political theory must ultimately be an organic one, in which the individual is swallowed up by the state. M. Derathé, on the contrary, adopts the view, which I took myself, that Rousseau remained a man of his age in clinging to individualism and refusing to set up any super-individual as the end of social life. It is easy enough to show that analogies between the state and the human body in Rousseau's writings are only incidental metaphors,[26] that his natural man lives in a condition of extreme individualism, and that the formation of civil society is a voluntary act on the part of the individuals who come together to conclude the

[25] *Rousseau et la science politique,* pp. 133, 164-68, 176; *Le Rationalisme de Rousseau,* pp. 3-4, 157, 168.

[26] *Rousseau et la science politique,* Appendix IV, pp. 410-13.

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social contract. Vaughan was led into his organic interpretation of Rousseau's political theory, first because he treated the Rousseauist picture of the state of nature as a mere "picturesque introduction", of no real significance for Rousseau's mature thought; and secondly because he interpreted Rousseau's description of the state as an *être moral* in the light of nineteenth-century ideas, and not as the term would have been taken in Rousseau's own day. M. Derathé deals with both points decisively. He shows clearly that Rousseau's conception of natural man gave an individualist bent to the whole development of his thought,[27] and that in the idea of the state as an *être moral*, or *corps artificiel*, Rousseau was merely borrowing an idea which was a commonplace of the Natural Law jurists, and employing it in exactly the same sense, to signify a political or social entity with only "an abstract and collective existence."[28]

Though we must reject the "organic interpretation" of Rousseau's state, this is not to imply that the process by which man moves from the natural state to civil society represents anything but a mighty step: it is a revolution in human life, for it is at this point that man becomes a moral and political animal. Rousseau's realization of the supreme importance of the change, which he embodied in the social contract, led him to the discovery, announced in the *Confessions*, that "*tout tenait radicalement à la politique.*"[29] It was a discovery that his predecessors could not have made, for it was only in the eighteenth century that it began to be true, with the emancipation of government from the restraints that had formerly bound it, and the beginning of the age in which political power for the first time acquired almost universal scope. The word sovereignty was to come to mean much more than it had formerly meant, precisely because the fact of sovereignty began to mean much more. Because political power was now the basis of all power, Rousseau was right in holding that political liberty was the basis of all other liberties. His political theory can be described as an attempt to come to grips with the new fact of unlimited sovereignty, to recognize its existence, and at the same time reconcile it with the fullest liberty.

Rousseau's solution of this problem is the general will, and with this idea he leaves the field of thought of the Natural Law jurists and enters a new political world of his own construction. Was his attempt to reconcile liberty with authority successful? To answer this ques-

[27] *Rousseau et la science politique*, pp. 130-1.

[28] *Ibid.*, pp. 238, 369, Appendix III, pp. 397-410.

[29] *Confessions*, liv. IX.

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tion we must go deeper into his thought. It must be premised that for Rousseau politics was integrally connected with morals.[30] If he rejected utilitarianism, as M. Derathé suggests,[31] it was not because he recognized any other end for political life than the well-being of the individuals in society, but because utilitarianism did not seem to him to provide a satisfactory answer to the problem of morals. His objection was not, of course, metaphysical: indeed, one source of the strength of Rousseau as a political thinker was his realization that politics is a branch of morals, and not of metaphysics. Purely speculative questions, which "lead to nothing useful in practice", he puts to one side.[32]

The moral problem, as Rousseau envisaged it, is stated thus by M. Derathé, if I may paraphrase his argument: man is naturally good, but his *bonté naturelle* is not an adequate barrier against the passions which develop with the appearance of social life; it is therefore replaced by *vertu*, which is the triumph of reason over the passions.[33] This triumph is embodied in the rule of law, and law itself is the expression of the general will, which by definition is good and incapable of corruption. M. Derathé is hardly to be blamed if he says little about this elusive general will, which is identifiable with no actual will, not even necessarily with the will of the whole community. For suppose, says Rousseau, the state is wholly corrupt, and all its members, ruled by their own private motives, "enact falsely under the name of laws iniquitous decrees directed only to their own selfish interests", does it follow that the general will is destroyed or corrupted? No, answers Rousseau—and it is here that the true nature of the general will appears—"it is always constant, unalterable and pure."[34] In other words, it is an ideal: it is what the will of the community would be if it were free from distortion by particular interests, and perfect in its enlightenment and goodness. It is the final arbiter of right and wrong. If it is all this, however, it is too much; for elsewhere Rousseau speaks of the individual conscience as providing the criterion of morality. M. Derathé draws the conclusion that there is here a fundamental dichotomy in Rousseau's thought. As a moralist the only authority he recognizes is that of the individual conscience, as a political theorist the general will provides his standard of right

[30] "Those who try to treat politics and morals separately will never understand anything of either of them." *Émile*, liv. IV.

[31] *Le Rationalisme de Rousseau*, pp. 94, 97.

[32] *Ibid.*, pp. 42-46, 49.

[33] *Ibid.*, pp. 114-21. *Cf. supra* p. 279.

[34] *Contrat social*, liv. IV, ch. i.

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and wrong. There is in the heart of Rousseau's doctrine, therefore, it is asserted, an antinomy between man as man and as citizen, which he never succeeds in resolving.[35]

This is strange, because, as M. Derathé himself points out, the relation between the individual conscience and the law of the state formed one of the classic problems which was discussed in every political treatise of the times. Is it possible that Rousseau should have left it not merely unsolved, but even undiscussed? It will not do to say that there can be no conflict, because his two authorities are in fact the same. Even if the general will and the individual conscience are identical in aims and content, are they the same in origin? The general will and the individual conscience can be accepted as merely two aspects of the same thing only if we are prepared to agree that Rousseau's political thought is after all fundamentally organic. It may be conceded that the only reasonable explanation of Rousseau's indifference to this problem is that it is not a problem to him at all, without necessarily having recourse to this view. Within his system of thought, it may be suggested, the general will and the individual conscience cannot in fact be rivals, but for a different reason. The general will is an ideal, rarely if ever realized in practice: the moral conscience is a fact of every-day experience. The problem of their conflict is not a practical one, because only in the perfect state does the general will achieve objective existence, and Rousseau has little hope of such a state becoming a reality.[36] In such a state, however, if it did exist, there could be no conflict between the general will and the individual conscience, unless there can be two different and opposing moral goods, one for society and a different one for the individual, which is not possible in Rousseau's thought. In any other society there can equally be no conflict, because in these the general will is only an ideal, whereas the conscience is a reality existing in every individual, that "immortal and heavenly voice, sure guide of an ignorant and limited, yet intelligent and free being."[37]

Rousseau, then, does not abandon his faith in the general will when he asserts the claims of the conscience; he simply provides an alternative guide for the individual who lives in a state in which the general will does not prevail. It may be objected that, on Rousseau's arguments, without the support of the general will the conscience cannot

[35] *Rousseau et la science politique*, pp. 236-37, 341-44.

[36] *Cf. Émile:* "Liberty exists in no form of government, it exists in the heart of the free man." On the political pessimism of Rousseau see *Rousseau et la science politique*, pp. 306-7.

[37] *La Profession de foi du Vicaire Savoyard.*

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function, but this is not true. The moral conscience is no mere derivative of the general will. It has its roots deep in the individual consciousness, and those roots are fundamentally religious.[38] His unequivocal rejection of all elements of revelation, grace and the supernatural in religion, and the opposition introduced in modern times between religion and reason, have tended to obscure the mystical element in his thought, but its recognition is essential for the understanding of Rousseau. With this in mind, indeed, we can see the conception of the general will in a different light. Professor Hendel many years ago put forward a suggestion that has not been sufficiently followed up.[39] The idea of the general will, he pointed out, was not invented by Rousseau, who met it in Malebranche, both directly and through the writings of Father Lamy, though it must have looked very different there, for it was not the general will of the state, but the general will of God. Here, it may be suggested, is the source of that terrestial general will which is the embodiment of perfect goodness on earth, in which, as Rousseau sets forth in the first paragraph of the *Contrat social,* right is united with interest, and justice with utility.

It was by way of this conception of the general will that Rousseau stepped out of the intellectual sphere of the Natural Law jurists and became the spiritual precursor of the Idealist philosophers. Religion and politics, divorced by the utilitarian political thinkers of the seventeenth and eighteenth centuries,[40] were herein reunited. True, the state in which the general will prevails is little more than a utopist ideal, and by his rigid distinction between sovereignty and government Rousseau limits the function of the general will to the establishment of laws. All the same, in the idea of the general will is to be found the justification for holding that the social contract emancipated the conception of political power from the limitations which had hitherto encompassed it. Here, also, is the explanation of Rousseau's somewhat confused language, which has been referred to above, in dealing with Natural Law. Allowing that, as M. Derathé claims, he does not reject the idea of Natural Law, at the same time he comes close to identifying it with the general will. In so far as this identification is assumed it means that the idea of Natural Law ceases to be capable of playing its former rôle in the state as a moderating influence over political power. In sum, Rousseau's general will is an ideal

[38] *Le Rationalisme de Rousseau,* p. 134.

[39] C. W. Hendel, *Jean-Jacques Rousseau, Moralist* (London and New York, 1934), I, 119-120.

[40] Their forcible union by Hobbes I take as a mere *mariage de la Loire.*

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of perfection, in which supreme power is also unqualified liberty, in which reason and sentiment are united, and will is the same thing as law; it is the belief that there can be a state in which all passion is silenced by the voice of reason, and, in the words of Hardy,

> . . . . deliverance offered from the darts that were,
> Consciousness the Will informing, till It fashion all things fair.

It was an entrancing vision, such as had not been offered to the European mind since the time of Plato. But it was also dangerous. Natural Law, contract, utility, may have led Rousseau thus far; now his thought takes wings and leaves them behind, and with them the foundations of the liberal, individualistic, rational tradition in which he himself had been bred. The prospect revealed by the *Contrat social* seemed a fair one. The infusion of a religious spirit into politics offered a way of escape from the legal formalism of the contractualists and the shallow, mundane concerns of the utilitarians, all the more welcome because it was a religious spirit untrammeled by the dogmas of a traditional creed. Rousseau was no philosopher, but he was a master of philosophers, and Kant discovered in his writings the words which were the open sesame to a new philosophic treasure house. On the other hand, having said so much, it must be added that Rousseau, if he opened the door, did not go through it himself; he did not follow where the spirit led. It is not uncommon for a great discoverer to fail to realize the full implications of his own ideas; and Rousseau could not abandon the ideals he had learned at the feet of the great teachers of Natural Law. If, in the end, one is tempted to link him not with his precursors but with his successors, it must be with the recognition that the heritage he left was one which he would hardly have understood, and almost certainly have disavowed.

It is the great value of M. Derathé's studies that they demonstrate, in my opinion conclusively, that in spite of everything Rousseau's political theory belongs to the rationalist, individualist, liberal and utilitarian eighteenth century. By his careful and penetrating analysis of the relations between Rousseau and the school of Natural Law, he has provided an important clue to the recovery of Rousseau's own ideas, and at the same time revealed the significance of some of the later theorists of Natural Law, like Barbeyrac and Burlamaqui, who had become mere names in the history of political thought.

ALFRED COBBAN

UNIVERSITY COLLEGE
LONDON

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CONTRIBUTORS TO THE JUNE ISSUE

JANE PERRY CLARK CAREY, Assistant Professor of Government at Barnard College, served as Assistant Adviser on Refugees, United States Department of State, from 1944 to 1946; as Consultant, 1946-47; and as Expert Consultant on Refugees and Expellees, Office of Military Government (U. S.), in Germany in 1948.

ALFRED COBBAN teaches French history and political theory in the University of London. He was a Visiting Professor at the University of Chicago in 1947. Among his publications are *Edmund Burke and the Revolt Against the Eighteenth Century, Rousseau and the Modern State,* and *The Debate on the French Revolution.*

JEAN FOURASTIÉ, professor at the *Institut d'Etudes politiques* at the University of Paris and at the *Conservatoire National des Arts et Métiers* in Paris, has published several books on the effects of technological progress on economics, namely, *Le Grand espoir du XX^e siècle: Progrès économique, Progrès technique, Progrès social* (1949) and *Machinisme et Bien-être* (1951). He is chairman of the Productivity Working Party of the Organization for European Economic Co-operation.

PAUL W. GATES is Professor of American History at Cornell University. His publications include *The Illinois Central Railroad and Its Colonization Work* (1934) and *Frontier Landlords and Pioneer Tenants* (1945). He is currently preparing an agricultural history of the United States, 1815-1860.

SHERMAN S. HAYDEN, Associate Professor of International Relations at Clark University, has also taught at Columbia University and was for two years assistant to the president of the Foreign Policy Association.

DANIEL MARX, JR., is a member of The Institute for Advanced Study, Princeton, N. J., and Professor of Economics at Dartmouth College. During 1949 he served with the Economic Cooperation Administration in Paris as Special Assistant to Ambassador W. Averell Harriman.

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REVIEWS

The Bolshevik Revolution, 1917-1923. A History of Soviet Russia. Vol. I. By EDWARD HALLETT CARR. New York, The Macmillan Company, 1951.—x, 430 pp. $5.00.

Judging by the first instalment, Professor Carr's *The Bolshevik Revolution, 1917-1923* is likely to prove the most notable and challenging interpretation of the Russian Revolution to appear since the publication of Trotsky's classic twenty years ago. Volume I comprises three parts: "The Man and the Instrument", "The Constitutional Structure", and "Dispersion and Reunion". Volume II (*The Economic Order*) and Volume III (*Soviet Russia and the World*) are said to be "far advanced" and may be available before the end of the year. Professor Carr contemplates the writing of a further study, *The Struggle for Power, 1923-1928,* for which, however, no date has been set.

"My ambition", says Professor Carr, "has been to write the history not of the events of the revolution (these have already been chronicled by many hands) but of the political, social, and economic order which emerged from it." His history, however, deals with the formative period of the Soviet rule, and about one third of Volume I is concerned with developments that preceded the advent of the Soviets. It would seem almost self-evident that the story of these crowded and tormented years cannot be made intelligible without at least a summary account of the political, social and economic forces which led to the two revolutions of 1917, for the new order erected by the Bolsheviks was of necessity built on the foundation which they inherited from a long line of predecessors. Professor Carr, however, takes a different view. He tells the story of the revolution exclusively in terms of the Bolshevik party. The results of this unorthodox approach are not entirely unrewarding. Divorced from its historical background and freed from the unruly conflicting cross-currents that do not lend themselves readily to succinct presentation, the revolution of 1917 assumes the semblance of cohesion and almost transparent inner logic. This pleasing illusion is strengthened by the admirable lucidity of Professor Carr's style. Unfortunately, the picture thus obtained, which has the merits—and faults—of abstract painting, reflects but imperfectly the grim realities of the revo-

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lutionary process. Volume I of *The Bolshevik Revolution* is nothing short of a *tour de force*—a book which is both vastly informative and profoundly misleading.

Three elements in Professor's Carr's approach would seem to be responsible for the peculiarities of his interpretation of the Bolshevik Revolution: worshipful admiration for Lenin; manifest reluctance to rely on any but Soviet sources; and, as a corollary, a tendency to attach unwarranted importance to the pronouncements of Soviet leaders and the provisions of ephemeral decrees.

The decisiveness of the part played by Lenin in the overthrow of the Provisional Government has long gained quasi-general acceptance. His recognition of the peasantry as a leading factor in the Russian Revolution and his bold demand for immediate peace and immediate transfer of all land to the peasants—the only policies which in 1917 were in agreement with the wishes of the masses (a practically self-evident fact that no other political leader, however, had the courage to admit)—were the real causes of the triumph of the Bolsheviks and entitle Lenin to a high place among revolutionary leaders. Professor Carr, however, goes considerably further. He speaks of "the magnitude of Lenin's achievement", his "far-sightedness", "immense learning", "analytical skill", "outstanding intellectual power"; "everything was clear-cut, brilliant, decisive." According to Professor Carr, Lenin's "genius was far more constructive than destructive," and his "major achievement came after the bloodless victory of October 1917 and was that of a great constructive statesman." There is little in Professor Carr's book to substantiate these claims and, indeed, a great deal to disprove them. A few examples to illustrate this point will have to suffice. By the middle of 1916 the imminence of the revolution was freely discussed in Russia and its outbreak was forecast with almost uncanny precision by the security police. Warnings of the impending catastrophe came to the Tsar from all sides, from the zemstvos (county councils) to the members of the imperial family. Yet in January 1917 Lenin told a Swiss audience that he was doubtful whether his generation would "live to see the decisive battles of the coming revolution." From this extreme, which may be explained away on the ground that he was cut off from Russia, Lenin jumped to its opposite and became convinced that "we stand on the threshold of world-wide proletarian revolution." In *State and Revolution,* which Professor Carr rightly holds as one of Lenin's "ablest writings", Lenin expounded his celebrated doctrine of the dying away of the state, a doctrine totally at variance with

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the behavior of the state in the U.S.S.R. These pronouncements—and they all bear on crucial points in Lenin's philosophy—are hardly conclusive evidence of his far-sightedness, analytical skill, and outstanding intellectual power.[1]

Admiration for Lenin and purism in adherence to Soviet sources may account for the endorsement by Professor Carr of some of the least defensible clichés of Soviet historiography. "It may well have been true . . . ," he writes, "that bourgeois democracy and bourgeois capitalism on the Western model . . . could not have been rooted on the Russian soil, so that Lenin's policy was the only one conceivable in the empirical terms of current Russian politics." This may sound plausible, but the palpable weakness of Russian democratic tradition does not necessarily imply that Lenin's long-range program was the alternative. One source of confusion is the broad meaning attached by Professor Carr to the term "bourgeois", a term he uses frequently but never attempts to define. He says little about the ideology of the Socialist-Revolutionary party which participated in the early Soviet governments and whose land program (as Professor Carr will undoubtedly show in Volume II) the Bolsheviks endeavored to put into effect in 1917-1918. He refers, however, to the Socialist-Revolutionaries as "an avowedly revolutionary and terrorist party" which "had even less than the Mensheviks to expect from Tsarist generals and their backers." Nevertheless the constituent assembly, which was provided for by the Bolshevik program, was elected after the Soviets took power, and numbered among its 707 members 410 Socialist-Revolutionaries, 175 Bolsheviks, and 17 deputies of "the only surviving bourgeois party" (Kadets), is, to Professor Carr, "the characteristic organ of bourgeois democracy." The author invariably applies the term "bourgeois" to the governments of national republics whose leaders (for instance, in Georgia) were well-known socialists and revolutionaries with long records in Tsarist prisons. Professor Carr admits that the use of the terms "proletarian" and "bourgeois" is, "strictly speaking, . . . inappropriate" with reference to the Eastern peoples of the former Empire, but he fails to see that it is just as inappropriate in a great many other cases, and he refuses to draw from this seemingly obvious fact the inescapable conclusions. I. Ehren-

[1] "Il est d'usage, surtout pour les jeunes femmes, de s'émouvoir, de pâlir, de s'attendrir et même en général de se trouver mal en apprecevant M. de Voltaire; on se précipite dans ses bras, on balbutie, on pleure, et on est dans un trouble qui ressemble à l'amour le plus passionné." H. Taine, *L'ancien régime* (Paris, 1891), p. 252.

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burg is reported to have said that everyone who criticizes the Soviet Union is a "fascist"; similarly Professor Carr appears to imply that everyone who disapproves of the Bolsheviks is "bourgeois". This terminological eccentricity is an important element in Professor Carr's interpretation of the revolution.

The overthrow of the monarchy generated a movement for the dismemberment of the Empire. The checking of this disruptive trend and the gathering of national minorities into the fold of the U.S.S.R. were, according to Professor Carr, "Lenin's astonishing achievement" and "an outstanding tribute to Lenin's genius as a constructive statesman." This striking conclusion, like so many others in Professor Carr's volume, by no means follows from the facts he has marshaled. The fate of the borderlands was determined, not by the national policies of the Kremlin, but by the geographical factor, the historical tradition, the degree of national self-consciousness, and the cultural and economic levels of national minorities. Finland, Russian Poland, Latvia, Estonia and Lithuania remained indifferent to the subtleties of Bolshevik national policies and hastened to throw off the hated Muscovite yoke. The national movement in Belorussia (White Russia) and Ukraine (at least in Russian Ukraine) was a weak and artificial growth and never had any real chance of success. Professor Carr rightly holds that, once the three branches of the Russian people were united, "the force of attraction on the uncoordinated and far less highly developed agglomeration of non-Slav peoples was likely to prove irresistible." The re-absorption by the Soviet Union of the national minorities, except for the Western borderlands, was indeed a foregone conclusion and had precious little to do with Lenin's "constructive statesmanship".

If Professor Carr's volume is definitely not what it purports to be—a history of the Bolshevik Revolution—it is nevertheless a major contribution to an understanding of the Soviet mind. While Part I ("The Man and the Instrument"), which deals chiefly with the dreary subject of the Bolshevik-Menshevik feud, adds little that is new, Part II ("The Constitutional Structure") and Part III ("Dispersal and Reunion") are vastly informative and throw much light on the evolution of Soviet constitutional theory. The section on the growth of the terror is a masterpiece of historical analysis. Of particular interest is the penetrating discussion of the Soviet approach to the problem of national equality, with its strong emphasis on economic equality and the "breaking down of the demarcation between industrial and agricultural nations." The practical implications of this

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theory are great even though a somewhat similar principle may be detected in the sanctimonious references of the Covenant of the League of Nations to mandates as "a sacred trust of civilization"[2] and in Lord Lugart's doctrine of the "Dual Mandate".[3]

The Russian Revolution is a vast and controversial subject, many phases of which are still obscure. Even those who, like the reviewer, disagree with Professor Carr's major conclusions will find the reading of his volume both exciting and rewarding.

MICHAEL T. FLORINSKY

COLUMBIA UNIVERSITY

The Origins of Totalitarianism. By HANNAH ARENDT. New York, Harcourt, Brace & Co., 1951.—xv, 477 pp. $6.75.

The totalitarianism with which Miss Hannah Arendt is concerned, whose origins and meaning it is her set task to explain, is, so to speak, absolute totalitarianism, an ideal type, to which Nazism and Stalinism, for her so basically similar despite all superficial dissimilarities, are the nearest approaches in practice hitherto achieved. To them, and particularly to the former, her book is mainly devoted. Only to a limited extent is she concerned with Fascist Italy, which in few areas revealed the malevolent and maleficent genius of ideal totalitarianism. She is hardly concerned at all with Franco's Spain, with Salazar's Portugal, or with Perón's Argentina, which, though strong and dictatorial governments, lack the genius for organized nihilism and so remain, from the purist viewpoint, unrealized totalitarianism.

Miss Arendt's thesis is that true totalitarianism is an all-embracing organization, in full command of force and ideology for the effective pursuit of the wildly tight logic of nihilism. It involves a total denial of the claims, or the relevance, of individuated personality. It involves a total rejection of the nation-state as an institution instrumentally useful and realistically oriented. It involves a top leadership cynically amoral, a lower leadership group informed with an enthusiastic and unquestioning loyalty beyond all practical considerations. It is supported, or rests on, a mass without clear function in society, lacking the organic differentiations and ties of men duly related in an institutional pattern. It is powered by a sinister coalescence of an elite, whose tormented yet contemptuous members are free from the

[2] J. B. Condliffe, *The Commerce of Nations* (New York, 1950), p. 561.

[3] Royal Institute of International Affairs, *The Colonial Problem* (London, 1937), pp. 111, 270-271.

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bonds of social-intellectual tradition, and a mob defiantly revolutionary in its protest against the priorly established order. The whole movement denies alike the worth of persons and of socially useful politics; rejects the affirmation of life; and denies also, and inevitably, dignity to death.

Miss Arendt sees this total rejection of all essential humanity as the somewhat paradoxical outcome of the emergence and development of bourgeois society. The interweaving and interplay of forces, of interests, doctrines, ideologies, myths, and emotional identifications and antagonisms, were, indeed, very far from simple. Not the least merit of Miss Arendt's treatment is that she uses a considerable erudition to make clear how tangled the skeins were. She has delved deeply into obscure and now largely forgotten works, in their day significant. Through their use, she skillfully reveals how mixed were the motives of the major protagonists, whether victors or victims; how little the initial, and sometimes even the final, unity of those who are so normally and misleadingly lumped together through a common name, such as Jew or Slav. The merit, indeed, has its defect: the pattern, the trend, the relation of cause and consequence, are not always clear. Moreover, while Miss Arendt repeatedly reveals subtle psychological insights, and an ability to spot and to combat those simple generalizations concerning the bases of totalitarianism which she shows to be the very contrary of the truth, she herself, in combating the *mystiques* of violence and of the irrational, as well as of pseudo-rational efficiency, sometimes appears to be tainted with a mysticism whose contours and contents are never definitely avowed. Indeed, one of the basic troubles for the reader is that, while he infers that Miss Arendt probably has a coherent though complex philosophy, the actual analysis appears to rest on an ever-shifting eclecticism, which can, to take but one example, encompass viewpoints from a fundamental Catholic teaching to Marxism.

The three parts into which the book is divided do not make easy the task of clear and sympathetic comprehension of her real themes. They are entitled "Anti-Semitism", "Imperialism", "Totalitarianism"; and the first two are manifestly intended to indicate the main, and partially concurrent, streams which went into the making of the third. Neither of them is, indeed, oversimplified. Yet I myself, even while giving full faith and credit to Miss Arendt's concept of absolute totalitarianism, should question whether a primary stress on anti-Semitism does not constitute a biased overemphasis. I should do so doubly in view of her own analysis of Disraeli and her great stress on the Dreyfus affair.

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Nor are my reservations destroyed by Miss Arendt's proper insistence on the fact that the Jewish financial community, or communities, were early attached to the modern state and its rulers, though later to their detriment detached and cosmopolitan; and on the related thesis that a major element in the development of bourgeois society was an attack on the state. Indeed, while it is almost impossible to summarize Miss Arendt's argument, I note that one major line in her thought proceeds from a stress on modern enmity to the state by rationalist, bourgeois, and elite alike—through use of the romantic idea of the nation to conquer and reform the state—to empire and race as means to combat and ultimately destroy both with mass support. Indeed, the emancipation of risk capital in the realm of empire from ties to the nation-state, its own peculiar cosmopolitanism, and the mystical sense of calling and destiny of the great imperial administrators and of the bureaucrats who became antagonistic to the nation-states they nominally served, and especially to democratic restraint, were in the last analysis the forces which supported the anti-state and supra-national drive of racial totalitarianism.

The logic of totalitarianism is one world, ruled by, and sacrificed to, one mystic race or one not-less-mystic class. That achievement, given human diversity, and given more especially the overt or covert totalitarian aspirations of several mystic units, seems to Miss Arendt highly improbable. I fully agree; but on those terms alone, I should see disastrous strife and the destruction of civilization and culture as the probable outcome.

So, it is perfectly clear, does Miss Arendt: her final objective is to find adequate means to affirm creative life as against destructive death; and to overcome that lostness which is the extreme product of individualism, and the undermining, in the name of equality, of an organic society based on differentiated rôle and ability. Yet it is with Miss Arendt's answer that I must take most serious issue. In essence she proclaims the existentialism which affirms that man is genuinely a part of a social order through which he overcomes lostness and, aware of limitations, shares in a real *corpus*. Like Aristotle's political-social animal, but within the scale of modern life, he pursues practical and earthly objectives. He is enabled to do so successfully through an acceptance of, and indeed a Chestertonian gratitude for, life itself as the ultimate gift and value.

But effective achievement of this outlook and insight, and of an institutional pattern geared to its realization, Miss Arendt argues, necessitates the rejection of a major portion of our tradition. She

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has no quarrel with Christian ethics. She does, however, argue that the Christian concept of personality beyond and outside the state, the organized political-social institution, led inevitably to individuality, to individualism, and so at last to the lostness which, as already noted, was the seedbed and the matrix of totalitarianism.

I agree readily that there is potential danger and incipient anarchy in that sanctity of personality which always makes allegiance to any particular political or social institution conditional. I agree, too, on the need for participation in a genuine community, as vital alike to the effectiveness and to the fulfillment of any human life. I agree, finally, on the inevitability of social bonds which yet must be accepted and rejoiced in, lest the noble Roycean ideal of a loyalty to loyalties become a snare and a delusion. Yet the very realism of citizenship and of statecraft threatens us with the destruction of life through the slow strangulation of statism. One cannot combat the desperate frenzy that rejects the good of life and kills men wholesale through the spiritual attrition and enforced boredom of a mechanical order.

Miss Arendt's idea of reformation necessitates, I think, the creative release, within the containment of community, of the diverse energies of persons who differ in insight and aspiration. Otherwise life may die of inanition, as the political-social order becomes a strait jacket. Yet the condition of this release is surely an uncontained, and potentially resistant, element of personality. Man must have dignity in order to live effectively, and to make the social order itself vital. To that end he must constitutionalize power; as, if he is to use the rich potentials of technological society, he must insure a genuine institutional pluralism with ever-changing contents. He must, above all, enjoy the privacy which is one of the great heritages of Christendom. The preservation of the needful balance of the self as private and protected, and of the self as participating and absorbed, is always precarious. Risk of excess, by individual or by public power, is inevitable; and the outcome of their tensions is never preordained. Yet the risk must be taken if the profit of life is to be sought, and sometimes and partially gained. The absolute totalitarianism which denies both worth to life and dignity to death is never to be lastingly combated by the practical totalitarianism of total citizenship in an all-embracing city, by definition sufficient, yet psychically and in political practice always less than satisfying.

THOMAS I. COOK

THE JOHNS HOPKINS UNIVERSITY

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Soviet Imperialism: Russia's Drive Toward World Domination. By E. DAY CARMAN. Washington, Public Affairs Press, 1950.—175 pp. $3.25.

This little book is useful, but it falls far short of adequate treatment of its subject. In fact, at times it is not clear just what subject the author is treating. He sets as his aim the study of Soviet territorial aggrandizement during the ten-year period from 1939 to 1949. Mr. Carman considers that territorial expansion is the most significant aspect of Soviet policy, and the one which may cause a third world war. He excludes from his task the treatment of Soviet occupation policies in Germany, Austria and Korea. Incidentally, failure to bring out the expansionist drive of Soviet Korean policy stands out glaringly in view of developments there since the book was published.

The author's attempt to limit his attention to territorial aggrandizement, " as such ", involves him in some contradictions. Actually, of course, he is forced to treat such features of Soviet policy within, for example, Poland, as led to that country's and other countries' inclusion in the Kremlin-dominated " Soviet orbit ".

This treatment involves the author in what amounts to a rather sketchy history of Soviet foreign policy during the period under discussion, and carries him well outside the narrow limits he sets for himself. Much of this history has been more profoundly analyzed in other works, such as David Dallin's *Soviet Russia's Foreign Policy, 1939-1942,* or in General John R. Deane's extremely valuable *The Strange Alliance,* which the author does not list in his bibliography. Mr. Carman relies heavily on the State Department publication *Nazi-Soviet Relations, 1939-1941,* for his account of Soviet expansion during the Pact period. His principal sources for the war and post-war period are American and British daily newspapers, English translations of official Soviet publications, and James F. Byrnes's book, *Speaking Frankly.* Carman published his book before Churchill's memoirs dealing with the period of the Soviet-German war became available. He makes no mention of the valuable but excessively brief German work of Hans-Guenther Seraphim, *Die deutsch-russischen Beziehungen, 1939-1941,* published at Hamburg early in 1949. No use is made of Russian materials, and almost no works in languages other than English are used.

Probably in large part because of reliance on English-language sources, the handling of most of the topics covered is superficial. For example, the author's treatment of the absorption of Tannu-

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Tuva into the R.S.F.S.R. in 1945 completely fails to mention the very illuminating account published in the Soviet daily newspapers of August 16, 1946, of the "spontaneous" movement which, the papers said, led to a popular demand, granted by the U.S.S.R., for this supposedly independent country's admission into the Soviet Union. Throughout, the study is marred by omissions, confusions and errors. Thus, in the account of Soviet absorption of the Baltic states in 1940, no mention is made of such important questions as disposal of ships belonging to citizens of these countries or flying their flags, which caused a great deal of friction between the U.S.S.R. and the United States. Dubious statements, such as the attribution of Soviet acquisition of Bucovina in June 1940 to "Ukrainian nationalism" (p. 56), abound. There are numerous annoying mistakes in spelling (for example, Chernovtsy, p. 53) and many awkward, strained or downright unintelligible expressions.

While Mr. Carman does bring out quite well the use by the Kremlin of puppet governments, communist fronts and other devices of deception and penetration, even this, the book's strongest point, is not handled with anything like sufficient depth. Entirely too much credence is given to the success of the Soviet nationality policy, and there is no indication that the author is aware of the existence of widespread discontent within the U.S.S.R. It is strange that a book on territorial expansion has no maps. For these and other reasons for the discussion of which space is not here available, this short study does not go nearly as far toward filling gaps in our knowledge of Soviet foreign policy as one would desire.

FREDERICK C. BARGHOORN
YALE UNIVERSITY

Policy for the West. By BARBARA WARD. New York, W. W. Norton & Company, Inc., 1951.—viii, 317 pp. $3.75.

As the title suggests, this book might be described as an effort to answer the questions: Where do we stand? What should we do? How can we do it? It consists of a survey of the present state of the relations between East and West, our (the West's) resources, and a blueprint for the management of affairs in the period ahead of us.

Containment, the title of the first part, adequately describes the heart of American policy at present. The propriety of this policy is not questioned, but rather the assertion is clearly made that this position has been forced upon the West by the aggressive nature of Soviet policy. There is value in reiterating this point at a time when in-

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volved legalistic bickering and obscure negotiations often tend to becloud a proper sense of perspective.

Containment means first the building of military strength. To many, an armaments race constitutes of itself an added danger of conflict. To a degree, this is undoubtedly so, but against the record of recent history Miss Ward sets the examples of the peace-preserving qualities of Roman, and later British, strength. This may be an optimistic view, for conditions are different. At the same time, there is no denying the value of confidence in one's chosen course of action; and if it is reasonable to expect greater understanding and patience on the part of a materially more fortunate West, this same West, allowing for the shortcomings of its practice, has no cause to apologize for its upholding of the value of freedom. The obligation of wisdom and forbearance remains, however, and "we shall certainly fail unless our effort is at once sustained, calm and supremely positive" (p. 81) and directed toward the *avoidance* of war.

The bulk of the book, the sections headed "Strength" and "Unity", develops in detail these themes. The greater potential of the West must be translated into force in being. But this is not a simple matter of drafting manpower and harnessing industrial capacity to the war machine. This indeed must be done, but in the doing care must be exercised lest economic and social dislocations do not defeat the purpose of the whole undertaking, which must be regarded as a task of indefinite duration.

An economist herself, subject to a strong Keynesian influence, Miss Ward devotes much space to the consideration of the economic aspects of the problem. Defense is not enough, "defense and stability are two sides of the same coin of containment" (p. 199). The only solution lies in an expanding economy which will find it possible to absorb with relative ease the added burden of rearmament without cutting materially into social welfare. At best, there will be stresses and strains, and the inevitable inflationary pressures constitute a danger that cannot be expected to be taken care of by the automatic controls of an out-of-date "free" economy. State intervention, particularly financial and budgetary manipulations, must be used in order to maintain the economy on an even keel, avoiding inflation, yet preserving full employment.

In all this, as in an equally essential large program of assistance to backward areas, the rôle of the United States is bound to be overwhelming. There are many difficulties here, and much that is insufficiently understood in America; the important and useful rôle of Britain, for instance, as center of the sterling trading area. The

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changed position of the United States, going back to the First World War and accentuated by the Second, needs similarly adequate understanding at home. As against this, America has shown an unprecedented willingness to offer assistance and a promising readiness to absorb economic and political lessons. The chief significance of the Marshall Plan is that "by choosing the positive response of action and generosity, the American people broke with the supposed fatalities of history" (p. 224).

Miss Ward takes a dim view of the prospects of a European Third Force; the basic union must be the Atlantic community. Here again, Britain has a crucial rôle to play, both because of her past position and because she stands at the meeting point of three influences: Atlantic, European and Commonwealth. It may be premature to take a position on the question of a Third Force, but undeniably, to date, Europe has been unable to stand on its feet unassisted. Also, British leadership has been guilty at the very least of lack of imagination in its relations with the continent.

Contemplation of the magnitude of the task and of the number and complexity of the factors the relationship of which must be kept in satisfactory order may cause questioning of the optimistic tone pervading Miss Ward's presentation: there are questions unanswered and perhaps a certain amount of oversimplification in her treatment. Having devoted the bulk of her discussion to matters economic, she properly acknowledges that, for all their importance, such considerations retain a certain negativeness: without "Faith" (title of the last part of her book), without confidence in the essential rightness of the value of freedom, even the accumulation of arms and a rising material standard will not save the West. This book itself may be regarded as a contribution to the rallying of the West and to the creation of needed confidence. Simply written and intelligently presented, it is a useful tract for the times.

RENÉ ALBRECHT-CARRIÉ

BARNARD COLLEGE

Monopoly and Free Enterprise. With the Report and Recommendations of the Committee on Cartels and Monopoly. By GEORGE W. STOCKING and MYRON W. WATKINS. New York, The Twentieth Century Fund, 1951.—xv, 596 pp. $4.00.

In their third and final volume for the Twentieth Century Fund's cartels and monopoly survey, George W. Stocking and Myron W. Watkins have written a book which can be read quite independently

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of the first two.[1] Although aimed primarily at the general reader rather than at the specialist, *Monopoly and Free Enterprise* makes no concessions of precision in order to spare the casual inquirer; moreover, the theoretical concepts employed are derived freshly from the authors' own examinations of the monopoly problem and from the most recent work of other serious studies in the field. The authors' objectives are: to establish a net judgment about the extent and trend of competitive and monopolistic behavior in American industry, to adapt recent formulations of economic theory to the purpose of facilitating value judgments in this field, to appraise the effects of past and present public policy toward competition and monopoly, and to offer proposals for the implementation of a policy of encouraging competition.

It is the authors' thesis that competition is indeed on the decline. To justify that thesis they rely very largely upon the method of describing what they regard as significant and presumably typical cases of departure from competitive practice. In their hands this case method, as it may be called, is used to great advantage. Particular industrial situations are defined in which it is possible to trace back a chain of determination (or at least of selective encouragement) from market results to the business behavior which gave immediate rise to them, from this behavior back in turn to the forms of business organization and structure which gave the behavior much of its rationale, and back from these forms of organization and types of structure to the environmental features which gave them high survival value. (Stocking and Watkins do not, of course, ignore autonomy of individual motivation and other factors which may loosen and even break the expected connection between structure and behavior.)

This total view of an individual case permits Stocking and Watkins to cut right to the heart of the problem of distinguishing between market results and business structure, a distinction which adherents of the increasingly influential doctrines of "workable competition" have insisted must be made. Yet useful as the case method is for this purpose, and much as it helps to reduce confusion in deciding upon what elements of a total situation value judgments may most meaningfully be made, the case method suffers from a countervailing disadvantage. Without any measure of the prevalence of the cases

[1] The first, *Cartels in Action* (1946), was reviewed in this journal in the issue of September 1947, pp. 445-47; the second, *Cartels or Competition?* (1948), was reviewed here in the issue of March 1949, pp. 122-25.

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cited, the reader is forced to suspend judgment about the extent of monopolistic practice; it follows that no statistical conclusion is available on the trend of competition or monopoly over time.

Yet, although it comes as something of a disappointment that Stocking and Watkins have not chosen to join in the efforts of those who are attempting to build a statistical base for conclusions about the trend of competition, one can hardly read their excellent volume without considering whether it may not be a very useful division of labor that finds Stocking and Watkins still devoted to clarifying the forms and functions of what it is that is to be measured. Given the present imperfect state of statistical intention and achievement, it is even arguable that the richly documented impressions of Stocking and Watkins offer the soundest available grounds for policy recommendations.

This opinion is not likely to be shared by adherents of the doctrines of "workable competition", a policy-oriented, socially optimistic variation on the theory of monopolistic competition. Stocking and Watkins place great analytic stress on the resource-allocating function of price competition and its rôle in eliminating the inefficient producer. They are consequently bound to categorize as "complacent" the policy implications of doctrines that de-emphasize the rôle of price competition, put a high social value on practices designed to stabilize individual industries, and permit particular industries to be called "workably competitive" that Stocking and Watkins would regard as ripe for antitrust prosecution. The authors' most notable contribution to the advance of economic understanding would appear to lie right here and to consist in their implicit invitation to economists who have been refining the doctrines of "workable competition" to offer their responses to such contentions as these: if short-run competition adjustments are prevented, long-run adjustments are likely to be hindered; it has not been conclusively demonstrated that non-price forms of competition will produce "appropriate" changes in the allocation of resources; there is no proved correlation between price stability in a single industry and stability in the national income; and a policy of encouraging price competition does not at all imply underestimation of such values as freedom and progress.

DONALD W. O'CONNELL

COLUMBIA COLLEGE

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The 1950's Come First. By EDWIN G. NOURSE. New York, Henry Holt and Company, 1951.—vii, 184 pp. $2.00.

> The basic question that looms on the horizon as we contemplate the present trend of business, labor, and farmer developments is this: Are the members of those three groups going to learn to associate as free individuals in organizations of suitable size and character, operating in an internally well-adjusted economy along with government, through which proper and necessary business functions are also performed? Or will individuals, banded together by formal ties or mere solidarity, use their groups' strength to overreach their proper place in the process and cause it to creak and stall?

Such is the challenge of this timely book—profound in that it searches the basic economies of a free-enterprise system for the elements of economic progress, and yet lucid to the "man in the street" since it reveals in layman's terms and with crystal clarity the prerequisites for our continued progress. If a good book is a disturbing book, this is one of the best, for it leaves no ground for complacency with respect to our 1951 economic status.

In this challenge, Dr. Nourse is just as right, sound and courageous as he was in exposing the perversion of the Council of Economic Advisers to the President to political ends and its diversion from the scientific advisory functions for which it originally was established. Since his protest resignation from the Chairmanship of the Council, Dr. Nourse has been lecturing from coast to coast and this small book presents the essence of those lectures. It goes without saying that the author's opinions will be most unpalatable to those he declares guilty of impeding the public interest and threatening the very foundations of economic progress under a free-enterprise economic organization. In the vernacular, he "lays it on the line" without fear or favor and is utterly regardless of toe-treading.

The author's basic thesis is not a new one. Indeed, it has been developed excellently with somewhat more emphasis upon its broad philosophic sources and implications by John Maurice Clark in his volumes of lectures entitled *Alternative to Serfdom* (1948) and *Guideposts in Time of Change* (1949). Powerful groups organized around respectively homogeneous farm, labor and industry economic interests seek to secure, each for itself, maximum security and benefit, regardless of where the costs may fall. Each uses its economic strength so far as that can be stretched to attain its ends, and then utilizes its political powers to still further protect and promote its interests. The fact that the economic interest group arises out of legitimate desires and needs for security in a free society does not

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automatically establish limits to the desire for or the ability to get benefits for itself at the expense of the economic health of the entire society. This, Dr. Nourse feels, poses two problems: Will these economic interest groups exchange those freedoms which we profess to honor and defend for powerful governmental controls designed to protect or promote the interests of this, that or the other group? Will the means adopted and used by these groups, operating in the current inflationary environment, fan the flames of inflation, with all groups losing out in the end?

While the first of these questions may be viewed as the more basic, the latter is the more immediate and well may underlie the former. Hence, the author fully explores the implications of the co-existence of " political agrarianism " equipped with a parity price-support policy or possibly a " Brannan Plan ", " political laborism " with cost-of-living escalator contractual agreements tucked under its arm, and business interests with their ingenious variety of protective devices such as, for instance, the price maintenance laws. Will these, in a normal peacetime economy, coupled with the general feeling that government should pay for more " welfare " for the citizenry, combine to push our society into inflation " as a way of life "? Will the necessities of a war mobilization effort, piled atop an already large and monetized public debt in a setting lacking general public fear of governmental deficits, create just that concatenation of forces which will bring inflationary disaster?

These are the questions which Dr. Nourse points out will be answered during the nineteen-fifties. Hence, " the 1950's come first "—out of them will be fashioned the whole fate of our free-enterprise system. Since there is no magic formula for successfully meeting the issues he has so neatly shaped for the reader, the author offers none. What actually will happen depends upon the ability and willingness of the respective economic interest groups to " stay themselves " from reckless pursuit of gain at the expense of basic and balanced economic progress. Each must seek to make its " best contribution to maximize total production " and then to coöperate in establishing " those patterns of distribution that will do the most to keep the productive process going with both vigor and efficiency." But merely stating the need is far from realizing the goal in fact. " It is by no means clear that we have surmounted the threat of internally divisive forces."

In his more pessimistic moments the reader of this book will doubt that our political " democracy " is ideologically and structurally capable of creating antidotes to the " internally divisive forces " which the

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author so sagely and dramatically portrays. In his more optimistic moments he will reflect that clearly visualizing a problem in its true perspective is the first step toward its solution. To this clarity and perspective Dr. Nourse has contributed immeasurably.

William N. Loucks

University of Pennsylvania

War and Human Progress: An Essay on the Rise of Industrial Civilization. By John U. Nef. Cambridge, Harvard University Press, 1950.—xii, 464 pp. $6.50.

One has to read deeply into this long and tightly packed book before one discovers that it is really two books—first a detailed history of industrialism and its relation to armaments and battles, and then an essay on war and how to restrain it.

In the first book, Professor Nef's fine scholarship is impressively displayed. He undertakes the difficult feat of weaving together a vast mass of cultural, economic, scientific and military data to reveal the interconnections between industrial progress and the art of war. He lays bare the weaknesses of some common assumptions about these interrelationships, notably Sombart's thesis that the growth in the size of armies and the rapidly increasing cost of supplying them had led to the development of large-scale industry and commerce. He is particularly effective in marking out the comparative economic development of England and the continental countries, and in correcting traditional notions about the dating of the industrial revolution.

The first part of the book is written in the tone of careful historical method, with only an occasional straining for a preferred interpretation. In contrast, the essay on war and how to restrain it is definitely polemic in character. It pays little attention to the work of political analysts and other social scientists who have been wrestling for many years with the problem of deterring nations from resort to war.

Professor Nef's thesis is fairly simple. War arises from man's corrupt and sinful nature and can be limited only by curbing his passions. This in turn can be accomplished only by the growth of a common community of understanding "relating to life as a whole." Such a community of belief arises when men are free to exercise their faculties of common sense, love of beauty, politeness and humanity. Professor Nef believes that this was achieved to some extent among the peoples of Europe during the late seventeenth and much of the eighteenth century, and led to the exercise of moderation in the practice

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of war. But with the growth of industrialism, men became more concerned with the immediate and the practical, and with success in material pursuits. Manners deteriorated, and learning became specialized. "With the growing material power to make war, what was needed was more politeness, more art, more wit in the conduct of international relations. What came was more grossness." The price of peace, concludes Professor Nef, is "the renunciation, in large measure, of success as the guiding principle of thought, labor, and even of politics," and the encouragement of those faculties which are concerned with beauty, love, charity and faith.

It is difficult to quarrel with a viewpoint that is based on a strong faith in man's humanity. Yet one is left with the conviction that the author has failed to come to grips with the real forces that make for war in the twentieth century. It is not true, for example, that the totalitarian leaders in seeking total domination are merely giving in to the common weaknesses of human nature, to love of power, to greed or even to cruelty. As a matter of fact, the Communist leaders have shown little concern over their comforts, their lusts or even over their lives. Their motivations cannot be explained in simple terms of human corruption or in the traditional categories of common sense. It is a false diagnosis which suggests that such people can be redeemed and made more pacific by being encouraged to exercise more freely the human faculties of love, craftsmanship and grace.

Professor Nef gives little attention to the recent advances that have been made in the understanding of group behavior and the ways of influencing men's attitudes. He ignores the efforts that undertake to develop a more systematic theory of international politics. He takes no account of the persistent work of statesmen to develop means for settling disputes without war. While it may be true that these things have little relevance to his own theory of how war may be restrained, they nevertheless have a bearing on the understanding of the forces that make for war and peace in the twentieth century. In the absence of any consideration of them, it is difficult to accept the claim made on the jacket of Professor Nef's book that it is "by far the most careful general discussion of war to appear in our century."

FREDERICK S. DUNN

YALE UNIVERSITY

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Scandinavia—Between East and West. Edited by HENNING FRIIS. Ithaca and New York, Cornell University Press for the New School for Social Research, 1950.—x, 388 pp. $4.50.

To many Americans Scandinavia appears as an entity instead of as separate, sovereign states, each with its own individual problems. This impression of Scandinavia as a homogeneous area is in many respects quite correct. Thus, the northern countries offer outstanding examples of successful coöperation in many important fields. Their educational and religious systems, social welfare programs, economic life, navigation, banking, marriage and insurance laws offer many common features. Because the Scandinavian Socialists, now in power, are also convinced democrats, individual rights are still guaranteed.

In the present state of tension between a totalitarian and democratic form of society it is gratifying to find a scholarly work, dispassionately investigating how far a planned economy can go without destroying democratic liberties. Therefore the above book is a very important contribution toward the understanding of the Scandinavian countries.

Scandinavia—Between East and West is a result of a series of lectures given in the fall of 1948 at the New School in coöperation with the American-Scandinavian Foundation. Its President, Hon. Lithowe Osborne, stresses in the Foreword that Scandinavia represents a formidable democratic stronghold in the conflict against communism, constantly challenged to solve social and economic problems, in the solution of which Communists have claimed a monopoly.

The editor, Henning Friis, has written two important chapters. That on "Scandinavian Democracy" gives an accurate accounting of the development of the parliamentary system in Scandinavia, the struggle of the people for universal suffrage, and mentions with pride how the Norwegian women obtained their voting rights much earlier than most of their sisters in the rest of the world. Furthermore, his highly interesting chapter on "Social Welfare" thoroughly convinces the reader that we have something important to learn from these countries, whose social philosophy has brought such a high degree of political stability and cultural achievement.

Space does not suffice to mention all the authors and their excellent contributions. Dr. Charles Abrams deals authoritatively with the housing problems; others with adult education, economic planning, labor movements, the coöperatives and foreign policy, the last very ably written by Brita Skottsberg Ahman, the former director of the Swedish Institute of International Affairs in Stockholm.

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Dr. Bryn Hovde's closing chapter, "We Americans and Scandinavia", is refreshingly free from any attempt to make propaganda for Scandinavia. In a clear, critical style we are confronted with the common problems of Scandinavia and the United States, and the closely knit relationship between these two areas of the world.

To the reviewer's mind the most important point brought out is this: that never before in the troubled history of mankind have the United States and the Scandinavian countries been drawn together by common interests as in the present world crisis. The Scandinavian peoples are keenly aware that the future of their countries is dependent upon the development of international relations. Situated between East and West they have the greatest desire to maintain friendly relations with both camps, without becoming subservient to either. As Dr. Hovde concludes: "They have the same desire for peace, but not at any price."

If the Scandinavian countries should become our allies tomorrow, every opportunity must be taken now to acquaint ourselves with the people and the culture of this area of the world. The sponsors, publishers and editor of the above book deserve our deepest appreciation for having brought this valuable work to the American reader.

SAMUEL ABRAHAMSEN

NEW YORK, N. Y.

Die Beziehungen zwischen Deutschland und der Sowjetunion, 1939-1941: Dokumente des Auswärtigen Amtes. Edited by ALFRED SEIDL. Tuebingen, H. Laupp'sche Buchhandlung, 1949.—xxxix, 414 pp. DM 12.–.

This book, in addition to a short introduction, contains 60 secret German documents antecedent to Germany's invasion of Poland (dated 17 April to 29 August 1939), and 191 secret German documents dated 2 September 1939 to 22 June 1941—the last reporting on Ribbentrop's conversation with the Soviet ambassador in Berlin at 4 A.M. of that fateful day.

The documents are, of course, extremely interesting. Comment must be suppressed here for lack of space. Most of them are known, partly from the Nuremberg trials and partly from the State Department publication on German-Soviet relations.

The trouble with this compilation is that it is so incomplete as to give an entirely distorted picture. It could be compared to a portrait without a head. Those world-shaking events can be understood only if seen within the framework of the program of the man whose words

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and decisions are never mentioned in this book, although Dr. Seidl consistently still calls him " der Fuehrer ".

In fact, nobody more than Dr. Seidl, who served as counsel for several of the top defendants in Nuremberg between 1946 and 1949, stressed the overriding importance of Hitler's decisions.

Well, what more important decision was there, than to attack Poland and the West, and, later, the Soviet Union? And when were these decisions made? The reader of this book would never guess it. In *Opinion and Judgment of the Nuremberg International Military Tribunal* (Washington, 1947), we find the following: On 24 November 1938, an OKW (Supreme Command of the Armed Forces) directive demanded, on Hitler's orders, preparations " to enable the Free State of Danzig to be occupied by German troops by surprise " (*Judgment*, p. 28). A revised OKW directive of 3 April 1939 forwarding Hitler's order for " Fall Weiss " (invasion of Poland) stated: " preparations must be made in such a way that the operation can be carried out at any time from the 1st of September 1939 onwards ", and the invasion did start 1 September 1939. In a military conference on 23 May 1939, Hitler stated that there is " no question of sparing Poland . . . there will be war. Our task is to isolate Poland." But, the *Judgment of the International Military Tribunal* goes on to say: " Hitler fully realized the possibility of Great Britain and France coming to Poland's assistance. If, therefore, the isolation of Poland could not be achieved, Hitler was of the opinion that Germany should attack Great Britain and France first, or at any rate should concentrate primarily on the war in the West " (*Judgment*, p. 30). On 22 August 1939, Hitler told his top military leaders that " it was clear to me that a conflict with Poland had to come sooner or later. I had already made this decision in the spring, but I thought that I would first turn against the West in a few years, and only afterwards against the East . . ." (*Judgment*, p. 31). Concerning Russia, " as early as in the late summer of 1940, Germany began to make preparations for an attack on the USSR " (*Judgment*, p. 43).

In 1946, addressing the International Military Tribunal as defense counsel for Rudolf Hess, Dr. Seidl blamed a number of things for Germany's attack on Poland: the Versailles Treaty, the obstinacy of Poland, Britain's support of Polish obstinacy, Russia's nonaggression pact with Hitler. He even argued that, after that nonaggression pact of 23/24 August 1939, Poland did not want to come to an agreement with Germany because Poland hoped to march to Berlin. His speech is reproduced in *Nazi Conspiracy and Aggression*, Supplement B

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(Washington, 1948, pp. 102-106).[1] He also argued that Germany's proposals were very restrained, but that the "extended discussions" between London, Warsaw, Paris and Moscow which started in March 1939 had the "purpose to place an iron ring around Germany" and to "establish an alliance exclusively directed against Germany" (*ibid.*, pp. 103, 104). Now, under a changed international situation, the argument is being reversed, and Germany is somehow absolved of responsibility because that "ring of iron" and "exclusively anti-German alliance" did *not* materialize!

When the United States Military Tribunals were set up in Nuremberg, General Clay issued his Ordinance No. 7 which provided that "the determinations of the International Military Tribunal . . . that invasions, aggressive acts, aggressive wars . . . occurred, shall be binding on the [U. S. Nuremberg] Tribunals." Nevertheless, the latter went through all the questions again. The *Judgment* in the latest United States Nuremberg case declared:

> The attempt which has been made to create the fiction and fable that the Third Reich acted in self-defense and was justified in its acts toward its neighbors, has no foundation and is, in fact, a disservice to the German people. We believe it is an effort to lay the groundwork for a resurgence of the ideology which brought untold suffering to the world and ruin to the German nation.[2]

JOHN H. E. FRIED

NEW YORK CITY

[1] This collection also contains (pp. 138-142) the full text of the affidavit of Dr. Gaus, legal adviser to the Wilhelmstrasse, which affidavit is unfortunately quoted only in parts by Seidl.

[2] Transcript of the Court record in the case of USA. vs. Weizsaecker *et al.*, p. 28110, 14 April 1949.

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BOOK NOTES

Money in the Law, National and International: A Comparative Study in the Borderline of Law and Economics, by Arthur Nussbaum (Brooklyn, The Foundation Press, 1950; xxxii, 618 pp. $8.00), is a much revised and considerably enlarged edition of an earlier book, *Money in the Law,* published by the same author in 1939. It is concerned primarily with the legal aspects of money. Book I deals with the law of money in general. Drawing upon the monetary experiences, laws and large numbers of judicial decisions in the United States, Great Britain, Germany, France and several other countries, it offers a comprehensive treatment of many legal aspects of money. Among the subjects covered are the concept and definition of money, types of coin and currency, paper money, bank deposits, debts and interest, inflation and revaluation, and gold clauses. Book II deals with money in international law, covering such subjects as modern laws relating to foreign money, the discharge of foreign currency debts in local money, international aspects of gold clauses, exchange control, international coöperation on monetary matters, and the International Monetary Fund. An annex of about twenty pages presents a brief legal history of American currency. This reviewer knows of no other volume which treats the law of money in such a comprehensive and thorough way. Professor Nussbaum is to be congratulated on his painstaking scholarship and industry, and for his contribution to our understanding of legislative and judicial theories of money. But the economist, who is primarily interested in the functional aspects of money and its relationship to the behavior of our economy, will consider the legal distinctions between money and non-money to be too hard and fast. Such sharp distinctions are perhaps necessary for litigation purposes, but they can be misleading in economic analysis. Nussbaum recognizes this fact most of the time, but in a few cases he falls into the error of assuming that legal differences are paralleled by economic differences. For example, he is disposed to believe, contrary to the view of most economists, that "the behavior and potency of specific money on the one hand, and of bank deposits on the other, differ" (p. 108). He is also in error in claiming that bank notes, rather than bank deposits, have been the principal medium of exchange since the end of the classical gold standard (p. 119).

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Likewise, it would be hard to defend his statement that " The problem of inflation is little if at all considered in general textbooks and treatises on money " (p. 193). These are, however, minor criticisms. The primary purpose of the book is to discuss the legal aspects of money and this is done very well indeed.—LESTER V. CHANDLER, *Princeton University.*

The " social philosophies " which Professor Pitirim A. Sorokin has selected for study in *Social Philosophies of an Age of Crisis* (Boston, The Beacon Press, 1950; xi, 345 pp. $4.00) are really relatively recent theories regarding patterns in historical development. He has chosen to discuss not only the findings of historical scholars like Alfred L. Kroeber, Arnold J. Toynbee and Oswald Spengler, but also the impressionistic concepts of publicists like Albert Schweitzer, of philosophers like F. S. C. Northrop, and even of a Russian government official, Nikolai Danilevsky, who had historical speculation for a hobby. The ideas of each one of these men, and of others, especially art historians, are measured by the yardstick of Sorokin's own concepts, as expressed in the four volumes of his *Social and Cultural Dynamics*. In my opinion this book is an excellent analysis of the " philosophies " brought within the author's purview. Furthermore, it contains an exceptionally valuable section entitled " Toward a Valid Social Philosophy ". Here Sorokin has attempted to show areas of agreement among the " social philosophies " studied and expresses the hope for the eventual attainment of a consensus. Interestingly enough the most empirical of the authors considered, namely Kroeber and Sorokin himself, are found to be in closest agreement. This is indeed a hopeful sign. Near the end of the volume there are two pages devoted to ethical values which give a clue to Sorokin's present investigations. Here he states: " In spite of the disagreements with Schweitzer that have been indicated, his reiteration of the old truth that without a minimum of what he calls ' reverence for life ' or love no real civilization is possible; and that without a strong revival of such an ethics (with a corresponding philosophy or religion) there is no chance for a creative renaissance of Western—and mankind's—civilization: these views I heartily share, as do, possibly, several others of the writers under discussion. It is my firm conclusion that without a notable altruization of individuals and groups, of social institutions and culture, neither can future wars be prevented nor a new, truly creative order be built, and it is for precisely this reason that there was created the Harvard Research Center in Altruistic Integration

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and Creativity." Apparently the research for the present study was done at this Center. The findings were first presented in the form of lectures at Vanderbilt University.—SHEPARD B. CLOUGH, Columbia University.

It is pleasant to be able to welcome this twenty-fourth edition of Walter Mallory's *Political Handbook of the World: Parliaments, Parties and Press as of January 1, 1951* (New York, Harper & Brothers, for the Council on Foreign Relations, 1951; 230 pp. $3.50). This handbook is probably the best and most compact political encyclopedia of the world available in English. As in previous issues, the volume contains certain essential political data for eighty-one nations and the United Nations. In general, the information in each case includes the names of the political leaders, a digest of the political-party platforms, the make-up of the cabinets and parliaments, a summary of political events since 1945, and the names, control and circulation of the leading papers and periodicals. The 1951 book is six pages longer than was that for 1950, but the only organizational difference is the moving up of Israel from brief listing under "Other Countries" to a separate and full page of its own. At no point in the volume is there any trace of bias or partiality, and the information is certainly as accurate as the most careful reliance on first-rate sources can make it. It is difficult to see how any editor, teacher, student, or intelligent layman interested in world affairs can do his work properly and efficiently without this handbook close at hand!—WALTER CONSUELO LANGSAM, Wagner College.

British Government since 1918 (New York, The Macmillan Company, 1951; 232 pp. $3.75), by Sir Gilbert Campion, D. N. Chester, Professor W. J. M. Mackenzie, Professor W. A. Robson, Sir Arthur Street, and J. H. Warren, is a collection of essays on the procedural and administrative aspects of British government which Sir John Anderson, in an unusually chilly introduction, does very little to pull together. As Sir John says, there is not "perfect balance" in the treatment of the various subjects. D. N. Chester contributes a good account of the administrative machinery and problems of the cabinet, about which so little is known. But his essay appears thin beside Professor Robson's long account of "administrative law". Professor Robson seems to have been barely restrained from writing the whole book. He has something, sometimes a good deal, to say about the structure of central administration, quasi-government bodies, and local government, all of which are subjects of other essays. In addi-

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tion, he surveys recent cases involving administrative officials. Sir John Anderson rates Sir Arthur Street's contribution on quasi-government bodies the most valuable essay of the collection, because the proliferation of quasi-government bodies "is probably the most striking development in administrative technique of our generation" and it here receives comprehensive and authoritative treatment. Two or three of the other essays are as good, however. The general mood of confidence in British institutions is sharply disturbed by J. H. Warren's cogent discussion of the developments in local government. The years following the Second World War, he writes, "have brought local government the biggest set-back it has suffered since its beginnings in the early 19th century." He does not approve; but, unlike many others who do not, he sees clearly the reasons for the change. In Britain, as in America, the chief barriers to the adaptability and, therefore, viability of local government seem to be the existing structure of local government and the complex of interests identified with it. Mr. Warren's alarm at the transfer of many activities from the local to the national level is balanced by Professor Mackenzie's confidence that, despite the new burdens, the structure of central administration is not yet in need of general overhaul. Some of Professor Mackenzie's most informing remarks are almost asides. His suggestion that the importance of the Scottish Office and the nonexistence of a Welsh Office can be traced to the political balance of power in the two nations is the sort of comment particularly enlightening to Americans, who too often assume there is no sectionalism in British politics. Finally, to say a word about the first essay, Sir Gilbert Campion does the near-impossible in his account of parliamentary procedure: he adds to what Professor Jennings has written on the inter-war Parliament besides bringing the story up to date.—ALLEN M. POTTER, College of William and Mary.

British Coal Nationalized (New Haven, The Edward W. Hazen Foundation, 1951; 92 pp. $1.00) by Gerhard W. Ditz is a brief, readable, undocumented, preliminary report on a year's study (1949-1950) of the British coal industry after nationalization. The author begins with a condensed historical survey of the rise and decline of the coal industry in Great Britain, noting in particular what is so often overlooked in American discussions of the subject, that coal had long been a sick industry in the British Isles. If this sickness is to be traced to any single cause, it is to be found in the failure to take advantage of every technological advance to counteract the declining efficiency of the industry. More importantly, however, Mr.

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Ditz stresses the human, social and psychological factors which played so large a part in the industry's difficulties and helped shape the present attempts at solutions. The paternalistic operator, the miner groping for the kind of social recognition which will permit him to feel that he is an accepted and even an honored member of the community—these were the protagonists in a struggle which has left a legacy of bitterness with which the new managers must reckon. The organization of the National Coal Board and its subsidiary units is outlined and discussed and a summary of the record of the first three years after nationalization is included. Here again Mr. Ditz emphasizes the efforts to deal with the human side of the production equation—the miner, his attitude toward his work, his relations with his new employers and, in general, his sense of participation in an essential human enterprise. The main problems, human as well as technological, confronting the Coal Board are succinctly stated. Of particular value are the questions raised and the suggestions made by the author with regard to the new and ambiguous position of the union leadership in a nationalized industry. On the whole, Mr. Ditz makes a convincing case for one of his main arguments that "the biggest problems of the industry have been and are human problems." The major research work of which this booklet is but a prospectus is awaited with interest.—NED VERNON JOY, Princeton University.

Because the principle of the rights of the individual as opposed to the authority of the state is a very vital issue in the world today, George L. Mosse's *The Struggle for Sovereignty in England: From the Reign of Queen Elizabeth to the Petition of Right* (East Lansing, Michigan State College Press, 1950; vii, 191 pp. $2.50) is a timely essay for the serious reader. The author calls this work an essay because it is an analytical and interpretive study from a limited point of view. The destruction of the medieval idea of natural law and the rise of unlimited sovereignty are the subjects of this essay. In England the development of the idea of sovereignty was the result of the struggle in the seventeenth century between King and Parliament. This is a study of legal ideas and is presented by giving examples from the writings and utterances of the chief political thinkers of the period. A brief biographical sketch of each person shows the reader why he was likely to hold the views he expressed. Mosse allows the individual to speak for himself through a liberal use of quotations from his works, but wisely, in so short an essay, does not permit too large a portion of his limited space for these quotations. The medieval concept of sovereignty, before change began in the Tudor period, is illustrated by the writings of Sir John Fortescue, the Lancastrian

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Chief Justice. Under the Tudors, the law of nature was beginning to be superseded by the law of reason. This prepared the way for the acceptance of sovereignty in the modern sense. While the law of reason was above sovereign power, it held that the King in Parliament could change tradition since it was assumed that acting together they would never go against truth and reason. While the development toward sovereignty began in England, the classic definition of it was made by Jean Bodin in France. How this affected England is made clear in *The Struggle for Sovereignty in England.* As the struggle was critical in the reign of James I, the major part of this essay deals with his reign. The importance of the character of the king in this conflict is wisely appreciated. His stubbornness and blundering spurred on Parliament's quest for sovereignty; and the distrust of the king went hand in hand with the attempt to curb his power. Mosse gives a good account of James's position and suggests that " His theory was not so foreign to England as might be supposed " (p. 73). In the struggle between the King and Parliament, the common-law lawyer tried to maintain the balance of the constitution—to deny sovereignty and to restore the medieval harmony. This is the subject of the longest and most interesting chapter in the essay. Sir Edward Coke represents the position taken by the common-law lawyer. Mosse gives Coke's views a very sympathetic and interesting analysis. However, the position Coke took was doomed to failure with the assimilation of the idea of sovereignty in England. While the author realized that practical considerations often influenced Parliament in its demands for sovereignty, because of the scope and length of this essay he was unable to give this subject fuller treatment. But the few hints which he does give, such as, for instance, the industrial revolution that came after the dissolution of the monasteries, are very interesting.—REGINALD E. RABB, The City College of New York.

American history, in the era of the Articles of Confederation, has been reinterpreted by a number of writers since John Fiske gave to those years his classic definition, the Critical Period. Merrill Jensen's book, *The New Nation: A History of the United States During the Confederation, 1781-1789* (New York, Alfred A. Knopf, 1950; xviii, 433, xi pp. $5.00), is the latest and most comprehensive of these revisions. Recent interpretations (some of which are now forty years old) have reminded us that the Confederation was not the period of chaos and hopelessness depicted by Fiske, but one in which recovery from the instability of the Revolution was well under way. The stagnation of business enterprise, which came with the post-war de-

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flation, had given way to revived confidence. Economic advance was steady, measured by the volume of shipping, export trade, growth of cities and westward expansion. Jensen agrees with other scholars that proponents of a stronger central government used such incidents as Shays' Rebellion to stir up fears of social disintegration and thus win greater support for their program. The counter-revolutionary forces were determined to hold in check the democratic elements in American life who had been given their head by the Declaration of Independence and by the events of the war. Jensen insists that many evils attributed to the Confederation, such as handicaps to trade among the states, have been exaggerated, and in any event were in process of solution. An important contribution of this volume is to stress the maturity of thought revealed by anti-nationalist personalities, who have usually been overshadowed by the makers of the federal Constitution. Men like Patrick Henry, Richard Henry Lee, Samuel Adams and George Mason were the true Federalists, says Jensen. They favored revision of the Articles of Confederation to give the central government more power, but they believed that the individual states should continue to be superior to it. The aim of the nationalists, on the other hand, was to free the central government entirely from control by the state legislatures. In his anxiety to redress the earlier, distorted image of the Confederation, fashioned by its contemporary critics and later historians, Jensen has possibly underestimated the real dangers that threatened American society. There can be no doubt, as correspondence among American leaders reveals, that genuine fear for the future did exist among them. Not all of this fear was engendered by political manipulators anxious to discredit the Confederation. Jensen's detailed study of this eventful period reënforces the impression that these years were not retrogressive, but were immensely constructive, and provided the foundation for the new era which began in 1789. Precedents established during the Confederation, in land legislation, diplomacy, as well as other fields, and the creation of an experienced staff of government employees helped ease the transition to the government under the new Constitution.—MICHAEL KRAUS, The City College, New York.

A solid addition has been made to the body of monographs dealing with the period of the Confederation. Richard P. McCormick's study of New Jersey—*Experiment in Independence: New Jersey in the Critical Period 1781-1789* (New Brunswick, Rutgers University Press, 1950; xiv, 338 pp. $4.00)—shows how the significance of a familiar set of facts will alter when they are examined in detail and seen in

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relation to other details hitherto neglected or unsuspected. The main outlines of New Jersey history during the 1780s are about what the conventional general treatments of the period have led one to expect: economic depression and deflation following the war, legalized depreciation of the currency, issuance of more paper money against the opposition of the creditor interests, and then reaction, the adoption of the federal Constitution, and the period ending with conservative property interests in control. These facts can be made to fit the thesis of a Fiske or of a Beard, but when placed in their proper context they fit neither. New Jersey in the critical period was split by sectional rivalries and to some extent by class conflict, but on most of the crucial issues of the day she was united, and in the course of the period made clear economic and social progress. The paper money which the conservatives opposed was actually a useful economic measure in a period of sharp deflation, not an attempt by debtors to defraud their creditors. The same people who voted for it also voted heavy taxes to maintain payments on the public debt. New Jersey consistently supported the federal government except in the matter of requisitions. Here again the reason for the refusal was not irresponsibility, but the fact that New Jersey favored giving Congress the right to levy taxes and believed that her refusal would support the move to strengthen the federal government. New Jersey sent her delegates to the Annapolis Convention prepared to revise the whole structure of the federal government. When her example was followed by the other states in the Philadelphia Convention, New Jersey was quick to ratify the resulting constitution, not because the agrarian party was given no time to organize the opposition, but because there was no opposition. Professor McCormick points out that New Jersey cannot be considered a typical state. But what state was typical? If we are to understand the history of the critical period, we must have as thorough an understanding of all the states as we now have of New Jersey and a few others. Professor McCormick's book will make a proper companion to Spaulding's on New York and Crowl's on Maryland. One may hope that it will soon be joined by more.—EDMUND S. MORGAN, Brown University.

More apt at anecdote than analysis, *The Confederate States of America, 1861-1865*, by E. Merton Coulter (Baton Rouge, Louisiana State University Press, the Littlefield Fund for Southern History of the University of Texas, 1950; xiv, 644 pp. $7.00)—the seventh volume in a new ten-volume *A History of the South*—is devoted to the Southern Confederacy. Since the Confederacy is the central fact

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in Southern history, its story demands careful and judicious evaluation and a fresh study of the sources. Professor Coulter has engaged in wide research, and has attempted to meet the demand for evaluation by a topical treatment in which only the arrangement of some of the topics has some rough approach to chronology. After chapters on the secession of the lower and upper South, a survey of the initial wave of popular enthusiasm and of hidden disaffection, the author deals with the personnel of the government and problems of currency and finance. Thereafter, there are chapters on diplomacy, war supplies, prices and profits, agriculture, transportation, foreign trade, recruiting soldiers, military policy, internal dissensions, women's work in hospitals, prisoners of war, the fine arts and the press, and literature, education, and religion. A final chapter deals with longings for peace and the end of the Confederacy. Since the Confederacy was a nation at war, it is unfortunate that military affairs, the marching of armies, the campaigns and the battles of the Lost Cause are ignored. Throughout the selected topics there runs one thread: the morale of the Confederate people. From the beginning Professor Coulter questions the reasons for the Confederacy's failure and finds the answer in a declining morale. In the end he concludes that "the people did not will hard enough or long enough to win." Corruption, inflation, political dissension, and the lack of proper leadership and guidance were more important than the breakdown of the transportation system of the Confederacy and the military force of the United States. "The Confederacy never fully utilized the human and material resources it had. . . . and in that sense it did not deserve to win." Although the topical treatment and the omission of the military story are its serious defects, the volume has outstanding merits. Its anecdotal quality sustains interest, and sometimes presents a picture of complete confusion. Missouri's Congressman Vest was "cowhided" by a demented woman who was angered by a ruling that government clerks must give their ages. Other officials suffered losses of dignity. Some congressmen fought duels, some engaged in fist fights in legislative halls. Officers in the army murdered brother officers, generals wrote scathing letters to President Jefferson Davis, and sergeants insultingly accosted the Confederate commander-in-chief on the streets. Speculators exploited people and evaded price-fixing regulations, women rioted against high prices, governors defied the Confederacy's conscription act, and newspapers denounced the growing military despotism. Such human interest yarns, told with many a fleck of humor, illustrate Professor Coulter's theme better than many pages of philosophical discussion.—WILLIAM B. HESSELTINE, University of Wisconsin.

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Dr. Frances Acomb's scholarly and readable monograph *Anglophobia in France, 1763-1789: An Essay in the History of Constitutionalism and Nationalism* (Durham, Duke University Press, 1950; xii, 167 pp. $4.50) will come as a surprise to students of European history nurtured on the accepted theses of Anglophilism in pre-revolutionary French thought, but as they examine her carefully documented account and her extensive bibliography they will recognize the validity of her thesis—clearly Anglophobia existed too. Dr. Acomb opens with the familiar "image of England" in the French eighteenth-century mind, the England of civil liberties and "of the separation and balance of powers in government." Among the Anglophiles she notes such strange companions as the *philosophes*, Helvétius and Voltaire, and the *frondeur* nobility, critical of excessive royal power; among the anti-Anglophiles equally disparate elements—die-hard supporters of absolute monarchy, Physiocrats and aggressive liberals, "forerunners of the school of Rousseau." According to conservative critics the English treated their kings disrespectfully and suffered from too great liberty, "really anarchy". Liberal critics on the other hand did not consider British institutions "republican enough" and lamented "the bad influence of common prejudices" and the undue control of Parliament. In her chapter on "Anglophobia and French Nationalism" Dr. Acomb supports the thesis that French "political nationalism" antedated the revolutionary era, a point of view in which she differs from the classic studies of Carlton J. H. Hayes in the field and the recent significant work of Hans Kohn. If unconvinced, her readers will yet respect her courteous and careful statement of her opinion. Dealing subsequently with "The Justification of the War of American Independence", Dr. Acomb takes issue with Bernard Faÿ on the existence of "a revolutionary spirit . . . then sweeping through French society" and interprets the motivating forces as French nationalism and dislike of England. Could it perhaps be that M. Faÿ's revolutionary spirit was the fruit of the forces Dr. Acomb notes and that they are both looking at the same phenomena from different angles? In the final chapter Dr. Acomb traces the decline of the old Anglophile liberalism on the eve of the French Revolution in favor of the more radical Anglophobe type supported by Rousseau's school and the "Neo-Physiocrats", Condorcet, Turgot and Dupont de Nemours. This is both interesting and prophetic when one remembers the Franco-British strife ahead. While Dr. Acomb's last pages do summarize her essay briefly, the present reviewer regrets the absence of a concluding chapter pulling together the various strands of thought and indicating the relative value of the sources cited. Criti-

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cism aside, this "analysis . . . of 'public' opinion" should fulfill what is perhaps the function of all such studies, in assisting the reader to limit generalizations, to widen perspectives and thus come nearer to understanding the truth.—FRANCES S. CHILDS, New York, N. Y.

Unions Before the Bar: Historic Trials Showing the Evolution of Labor Rights in the United States (New York, Harper & Brothers, 1950; xii, 371 pp. $5.00) by Elias Lieberman, written "primarily for the layman", deals with twenty-four cases in the courts of the land—all but two of them in the Supreme Court—in which the rights of labor have been defined; together with a chapter analyzing the Taft-Hartley Act. In an attempt to portray the "historic stages in the development of labor rights from the early days of the Republic", the author starts with the *Cordwainers case* in the Mayor's Court of Philadelphia in 1806, and proceeds to the epoch-making case of *Commonwealth* v. *Hunt* in the Massachusetts Supreme Court in 1842. Turning then to the famous cases in the United States Supreme Court, there is discussion of the *Debs case* in 1895, the *Danbury Hatters case* at the turn of the century, the *Adair* and *Hitchman* cases, involving different aspects of the "yellow-dog" contract, the Duplex, Tri-city and Truax cases which served, in 1921, to draw the teeth of labor's "Magna Carta"—the Clayton Act—and other cases setting forth the law of the boycott and the picket line, together with the decision upholding the validity of the Wagner law—*N.L.R.B.* v. *Jones and Laughlin*, 1937. Each chapter sets forth the facts preceding the litigation, and proceeds from there through trial and appellate courts to a summary of the decision of the court of last resort. This is a feature that will be appreciated by the student, for whom the ordinary case book is frequently an inadequate guide to the essential facts behind the decisions. It all makes a fascinating story, both for its revelation of shifts in judicial attitudes and for its inclusion of incidental material not lacking in interest. Thus we learn that a grandson of the employer involved in the *Danbury Hatters case* is now a member of the Hatters Union. We read the dictum of a Circuit Court in 1909 that "there is no such legal entity as an unincorporated association." We find Charles E. Hughes as counsel for the United Mine Workers in the first *Coronado case* in 1920 arguing for a narrow interpretation of the Commerce Clause of the Constitution, and as Chief Justice in 1937 writing the opinion that broadened that interpretation so as to cover the Wagner Act. One regrets the omission of such notable cases as *Coppage* v. *Kansas*, the cases interpreting and upholding the Railway Labor Act, and last summer's strange

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array of concurrences and dissents over the non-Communist affidavit requirement of the Taft-Hartley Act. But books have their limitations of space—as do reviews. Mr. Lieberman has written a valuable treatise, not the least of which is his informing analysis of the Taft-Hartley Act. He writes from the point of view of a sympathetic observer of organized labor's struggle for status on both the industrial and the legal fronts. It is from that point of view that he drives home the idea, in his concluding chapter, that labor, having achieved great power, must recognize the existence of commensurate responsibility.—JOHN A. FITCH, New York City.

A significant contribution to the literature on the American Negro and race relations is the autobiography—*You Can't Build a Chimney from the Top: The South through the Life of a Negro Educator* (New York, The William-Frederick Press, 1948; 226 pp. $3.00)—of Dr. Joseph W. Holley, pioneer in the movement for education for Negroes in the South and founder of Albany State College in Georgia. Dr. Holley writes from a wealth of experiences and gives in his book not only a historical account of the fight for education, but also his philosophy of race relations forged from practical experience and based upon expediency. In essence this philosophy favors "segregation in the Southern States for the time being" (p. 210). Dr. Holley does not "turn from non-segregation as an ideal," but sees "only trouble and even tragedy" in "impatient and intolerant pursuit of it" (p. 210). He believes that tolerance cannot be legislated. Changes in Southern customs and practices must be gradual and instigated by Southerners themselves. Such proposed federal legislation as that for fair employment practices or that to stop lynching often results in more harm than good, Dr. Holley maintains, because they are usually political expedients which serve only to stir up racial animosity. Education in respect for human personality rather than force is suggested by the author. Yet he favors a dual school system, justified by differences in background and future outlook which make it impossible to "fuse both races in one educational system" (p. 88). This point of view is a direct outgrowth of Dr. Holley's struggle during his years as an educator. Forty years or more ago when the Negro was so recently out of slavery and seeking to establish himself in a free society, a special kind of education to meet his peculiar needs was certainly justifiable. Today, however, one wonders whether the environment and future outlook of Negroes and whites may not approach one another more closely as the results of a common, joint education

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for citizenship in a democracy. The recent admission of all citizens regardless of color to many Southern state universities certainly challenges the doctrine of separation. But even while disagreeing with his philosophy, one cannot but admire the clever handling of historical information, the practical insight into the relationship between whites and non-whites, and the deep sincerity expressed by Dr. Holley in this very readable book.—MARGARET V. NELSON, Roxbury, Mass.

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